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Emerging Trends in the National Supported Employment Initiative: A Preliminary Analysis of 27 States

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Table of Contents

Page

Acknowledgements iii

Supported Employment Implementation in 27 States: An Introduction 1
Paul Wehman

Policy and Program Development in Supported Employment: Current Strategies to Promote Statewide Systems Change. . . . 15
John Kregel, Michael S. Shafer, Paul Wehman, and Michael West

Supported Employment Implementation I: Characteristics and Outcomes of Persons Being Served. 46
Paul Wehman, John Kregel, Michael S. Shafer, and Michael West

Supported Employment Implementation II: Service Delivery Characteristics Associated with Program Development and Costs 75
Paul Wehman, Michael S. Shafer, John Kregel, and Gary Twardzik

Public Policy and Supported Employment: An Assessment of Fiscal Activity, 1986-1988 97
Michael S. Shafer, John Kregel, Paul Wehman, and Michael West

Opportunities and Challenges: Recommendations for the Future of the National Supported Employment Initiative. . . . 128
John Kregel

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Supported Employment Implementation in 27 States: An Introduction

Paul Wehman

The purpose of this monograph is to present preliminary results from the 27 states which received systems change model demonstration funds from the Rehabilitation Services Administration in 1986 and 1987. These funds have been targeted over a five-year period to modify or change existing adult day programs for persons with severe disabilities and provide supported employment programs as alternative vocational options. This grant program has been a major federal initiative. The purpose of this monograph is to present the initial benchmark data to evaluate the effectiveness of the program.

Supported employment is paid work which occurs in normal, integrated business environments for a target population of persons who have severe disabilities and a demonstrated inability to gain and maintain employment. Unlike other models of vocational rehabilitation, supported employment is built on a premise of long-term, permanent (daily or intermittent) support through the individual's duration of employment. The reason for this support is that we have learned over the years that some persons with severe disabilities would not otherwise be able to work in competitive, integrated job situations.

Supported employment is much more than a job, however. In many ways, supported employment personifies a national civil rights movement on the part of people with severe disabilities who have been excluded, devalued, and disenfranchised on the basis of their perceived lack of vocational competence. Supported employment programs dramatically question the values and adult service delivery models which have been in practice over the past 20-30 years for people with severe disabilities. Supported employment represents serious social change.

In short, real employment with continuing support in a normal work environment provides an opportunity for long-term dignity, more pay, a chance at upward mobility, and a chance to break out of the deadly existence of perpetual unemployment. The leadership, intuitiveness, and dedication of Congress with regard to vocational rehabilitation and supported employment is to be commended and is widely recognized by professionals in the disability community.

Success of Supported Employment Implementation

A major question which needs to be addressed is how successful supported employment implementation has been. Based on the data within this monograph, it is safe to say the success of this program is remarkable indeed. We are only just beginning to get in early amounts of outcome data. However, considering the total absence of competitive work history and complexity of problems of the individuals participating in the program the results are astounding. For example, in Connecticut a total of 2,658 persons with severe disabilities are participating in supported employment during this fiscal year; most have never worked in business and industry. To date, the wages of all supported employment participants since 1985 have been in excess of 2.3 million dollars (Connecticut Department of Mental Retardation, March 10, 1988, Personal Communication with Linda Goodman). In California, 214 supported employment programs have been developed with over 3,200 developmentally disabled persons participating in supported employment. The alternative for them would be continued participation in segregated day programs with little or no earnings annually. According to the

state director of vocational rehabilitation for California, P. Cecie Fontanoza:

> In FY 1986-87, approximately $5-7 million in state and federal funds were expended for supported employment services. This amount is expected to increase to approximately $16 million in FY 1987-88 for serving developmentally disabled... In the short time supported employment services have been provided, we have witnessed the benefits that working in the community bring to those persons previously isolated from their nondisabled peers. Employers have discovered a new and dependable work force. The new employees have realized that they are capable and competent workers with real jobs. Supported employment is providing that extra non-time limited support to assist an individual obtain and maintain employment in the community. (P. Cecie Fontanoza, Supported Employment News, Vol. 1, No. 1, June-July, 1987)

This represents a concrete example of how the supported employment grants have helped leverage the use of state funds.

One successful dimension of supported employment demonstration projects which should not be overlooked is the rapid increase of new individuals coming into supported employment. For example, in Colorado in 1985 there were 123 consumers and in 1987 the total increased sevenfold to 909 (Rocky Mountain Resource and Training Institute, Denver, Colorado, January, 1988). A projected growth curve of supported employment services in Colorado shows over 2,500 participants by 1990. Similar accelerations in consumer services are being observed in Oregon, Washington, and Illinois.

Virginia is indicative of a large number of states that have established a statewide system of supported employment programs. Due to the leadership and foresight of the Virginia Department of Rehabilitative Services, 46 local programs have been vendored to provide transitional/supported employment services. Rehabilitation

counselors work closely with local programs to arrange for cooperative across agency funding before accepting an individual for supported employment. In Virginia, 751 individuals with severe disabilities have been placed into supported employment with cumulative earnings of over 6 million dollars. For consumers who are labeled as mentally retarded, measured intelligence ranges as low as 18 with an average IQ around 50. As Virginia builds supported employment capacity, more and more persons with different disabilities such as chronic mental illness, traumatic brain injury, and physical disabilities are participating in the program.

Although in the past there have been some comments equating supported employment with welfare, it should be clear from the above data and other available data that quite the opposite is true. These are people who, for the most part, are getting their first chance in life to work and who are starting with no competitive employment history. What these jobs represent is the building of a vocational future. It should be noted as well that work is as important to these persons as it is to persons with less severe disabilities. Comments related to one type of disability being more productive or desiring of services are not constructive and serve no useful purpose. We must work to maximize vocational potential for all persons with severe disabilities.

Before leaving the area of implementation, it should also be observed that the new supported employment programs have been attractive to rehabilitation counselors, who are typically responsible for arranging services locally. In a recent survey of rehabilitation

counselors' attitudes about supported employment, 88% of a stratified sample of 1,453 indicated they would refer clients to supported employment if they could do so. The top two training needs indicated by the counselors were (a) greater clarity in the role and function of counselors in supported employment and (b) choosing appropriate supported employment options.

Supported Employment: Impact

The period of 1983-1988 will probably be viewed historically as an era of major vocational breakthrough on the part of persons with severe disabilities. Here are four reasons why:

1. Focused federal initiative on supported employment. There has been a highly focused movement on the part of the U.S. Department of Education, Office of Special Education and Rehabilitative Services (OSERS) and the Department of Health and Human Services, Administration on Developmental Disabilities to expand employment opportunities for people who historically have never been employed because of their perceived lack of vocational competence. We have witnessed 27 states being funded by OSERS for the purpose of changing or significantly modifying their adult service systems to stimulate employment in normal work settings. This has been a massive change from the way services have been delivered in the past. The RSA initiative has been an excellent strategy for translating isolated research and demonstration efforts of exemplary employment

programs into local and statewide implementation. The Rehabilitation Act Amendments of October 1986 provided Title VI Part C funds for all states to participate in supported employment. Hence a major outcome of funding these states has been to elevate the vocational expectations on the part of professionals, businesses, and families toward people with severe disabilities.

2. Grass roots consumer and family movement toward employment with dignity. To a very real extent the interest in supported employment has been fueled primarily by persons with severe disabilities, their families, advocates, and friends. These individuals are part of a large grassroots movement which stands for real jobs in normal work settings. As the cycle of perpetual unemployment is broken, a period of employment, dignity, and job mobility will be entered and people with severe disabilities and their families will continue to energize the supported employment movement. As a civil rights, social change movement, supported employment is bigger than any one agency, constituency, or set of people. It is about vocational opportunity.

3. Large numbers of historically unemployed persons are now entering the labor force for the first time. The most immediate outcome of supported employment programs is paid work. Effective supported employment programs

do not focus on long-term job preparation but instead focus on training while the person is already employed at the job site. Effective supported employment programs do not focus on a person's deficits but instead work to help find jobs which minimize disabilities. History will show that the actions of the Congress and U.S. Department of Education, OSERS with regard to supported employment will greatly enhance the total number of persons with severe disabilities working. Our own research over the past decade has shown that it usually takes 2-3 years for the full benefits and placement outcomes of supported employment programs to accumulate. Between 1989 and 1992 we will be entering a period in which these supported employment outcomes (wages and placement totals) should significantly accelerate.

4. Integration of persons with severe disabilities into the workplace. For the most part, adult day programs for persons with developmental disabilities have been provided in the segregated fashion of special centers. There was a time in history when we thought this was an acceptable way to help people with disabilities. However, philosophically, ideologically, and programmatically this mode of service delivery is now being seriously questioned. A major value underlying supported employment is to help integrate, not

segregate, individuals with severe disabilities into the nation's businesses and industries. The vast majority of supported employment participants are in positions which provide continuous daily integration with nonhandicapped coworkers. This is in sharp contrast to their previous work environments where there was no integration with nonhandicapped coworkers.

Implementation Issues

Let us now turn to specific problems of implementation which are occurring as a result of widespread initiation of supported employment programs. (These policies and practices are discussed in depth in the next paper.) It should be recognized that some of the implementation problems which are discussed in the subsequent papers are related to the popularity and attractiveness of supported employment as a vocational alternative to people who had been shut out of the system before. As more individuals participate in supported employment, there is greater empowerment of these persons, causing greater demand for services on the part of their peers. Thus there is a mushrooming demand for professionals to change or modify the existing service system.

The nature of the implementation problems faced are essentially those of management and policy issues and secondary service provision issues. The following are brief descriptions of some of these problems.

Management and Policy Issues

1. Long-term funding. The problem of limited or no long-term funding varies from state to state but clearly represents a policy issue which needs to be resolved. A recent survey our Center did with the 27 funded states found that their greatest obstacle to full implementation is that of long-term funding. This problem needs to be resolved in the context of (a) the commitment which states show toward supported employment by specifying use of long-term funds for supported employment activity; (b) the potential divisiveness this problem causes between disabilities (i.e., mental health and mental retardation funds are more readily available for long-term support as opposed to funds for people with traumatic brain injury or people with cerebral palsy); and (c) the failure of some states to provide clear policies mandating cooperative agreements between rehabilitation service funds and long-term funds before a case is taken on. This is an issue which proposed Medicaid reform legislation could go a great way toward resolving. The lack of clear resolve and policy on the part of certain states will undoubtedly hinder the implementation of supported employment in those states.

2. Technical assistance and staff development. The second greatest concern our Center is hearing from all of the states is the continued need for quality technical assistance and staff development. If one looks at the number of new demonstration programs being initiated annually in all of the states now, it is clear that hundreds and even thousands of new staff are being hired or existing staff retrained. These staff are being asked to do professional activities

quite unlike what they did before in terms of skilled behavioral training, training clients directly in businesses on a permanent basis, and modifying work schedules accordingly.

The need for long-term personnel preparation in the area of supported employment, i.e., need for job coaches, is critical right now. Fortunately, OSERS is providing RSA training funds to help meet this need but in many ways the long-term growth of supported employment rests on additional funds for the development of large numbers of qualified personnel.

3. Agency coordination and integration of services. A major reason for uneven implementation, both locally within states as well as nationally, is the inability of some state agencies to fully cooperate and share resources. Successful supported employment implementation requires consistency of goals, shared funding, and similar values. This is an issue yet to be fully resolved.

4. Disagreement among service providers over supported employment federal regulations. With the passage of the Rehabilitation Act Amendments, it was necessary to write regulations for supported employment. Some of these regulations have caused controversy. For example, some advocacy groups consider it stigmatizing to group disabled persons at a business site and hence support only individualized placements. Other organizations, however, feel that a maximum of 8 persons at a business site is restrictive and should be larger if other circumstances are attractive, such as pay. In fact, the whole premise of supported employment is for small, down-sized programs which are highly integrated, and establishing a number was not

an easy task. As professionals and consumers in the field become more confident in supported employment implementation, perhaps this issue and others will be resolved.

Service Provision Issues

1. Selection of appropriate target population for supported employment. One concern that needs to be monitored during implementation is that only people who truly require supported employment are the beneficiaries of those services. Supported employment is for persons who, due to the severity of their disability, have been unable to get a job and consistently hold a job. It is important to emphasize that only this population of persons should receive supported employment. To do otherwise will minimize the impact which this model of rehabilitation can have on people with the greatest vocational needs.

There are three major issues involved in helping more persons with severe and profound disabilities enter into supported employment. First, there need to be greater financial incentives locally to serve these individuals. Some of our early research shows that the costs of job placement and retention of persons with disabilities such as profound mental retardation, autism, or traumatic brain injury are much higher than persons with moderate or mild mental retardation. Second, more research is needed on how to improve behavioral and rehabilitation engineering technologies. And third, providers need in-depth training on how to work effectively with persons who have the most severe handicaps.

2. Transportation. Most job coaches and other direct service providers will indicate that their major implementation problem is arranging transportation for supported employment clients. Few geographical areas are free from this implementation problem. Lack of transportation, public or otherwise, either totally stops employment from materializing or, at best, greatly lengthens the time in which appropriate jobs can be found.

3. Parent education and consumer empowerment. Many families and consumers do not yet understand supported employment, nor do they wish to accept the risks of work. Furthermore, many consumers with severe disabilities do not know how to fully self-advocate for themselves to get off waiting lists, obtain the right services, and evaluate the quality of what they are getting. Ultimately, the strength of the supported employment movement will depend on the ability of the disabled person himself or herself to advocate for services.

This issue is raised as an implementation issue because we believe that many of the problems described in this monograph can be best handled by persons with disabilities and their families playing a major role in the process.

In closing, it is fair to say that wonderful progress has been made in implementing supported employment nationally. Yes, the idea is eloquently simple: Place persons who have never worked competitively before into real work settings, provide training at the job site, and then provide long-term maintenance in the form of job coaches, attendants, coworkers, volunteers, or whatever type of support service seems to work. However, the actual implementation in one program is

often quite difficult, since it is markedly different from what professionals have done previously. When one realizes that literally hundreds of programs are doing this, most for the first time, it is remarkable indeed that we are making the progress we are. The true fruits of these systems change efforts will be shown in the years which follow.

Policy and Program Development in Supported Employment: Current Strategies to Promote Statewide Systems Change

John Kregel
Michael S. Shafer
Paul Wehman
Michael West

At the heart of the national supported employment initiative lies a shared federal and state commitment to incorporating individuals with developmental and other severe disabilities into our nation's workforce. The goal of the supported employment movement is straightforward -- to use new and existing rehabilitation technologies to enhance the economic self-sufficiency of a large group of citizens who previously were unable to earn meaningful wages. Yet supported employment represents more than an alternative rehabilitation service. The concept involves a philosophical commitment to the integration of persons with developmental and other severe disabilities into all facets of life in their local communities.

By incorporating supported employment provisions throughout the Rehabilitation Act Amendments of 1986, Congress expressed its clear intention to open the nation's rehabilitation system to a group of citizens who traditionally had not been eligible for services. The Amendments incorporate supported employment as a recognized rehabilitation service and outcome within the basic Title I (Section 110) state program and establish a formula-based funding mechanism to stimulate supported employment implementation in all 50 states. These provisions have provided enabling legislation and a small funding stream to promote the rapid development of supported employment alternatives.

In Fiscal Years 1986 and 1987, the Rehabilitation Services Administration (RSA), in cooperation with the Administration on Developmental Disabilities, funded 27 states through its Title III discretionary grants program for the purpose of changing or

significantly modifying existing service systems to stimulate the development of supported employment. These large five-year projects have just completed their third year of operation in 10 states. Seventeen states have completed their second year of operation. The accomplishments of these projects will to a large extent determine the ultimate success of the entire supported employment initiative (Shafer, 1988).

The political and philosophical values embodied in the supported employment initiative are impacting a large number of existing agencies and programs. Our decades old network of sheltered workshops and day activity centers has come under attack from supported employment advocates (Brown et al., 1985; Bellamy, Rhodes, Mank, & Albin, 1988). Income maintenance programs such as SSI are being modified and others (SSDI) are being critically analyzed in light of charges that they have promoted dependence and make it difficult for individuals with severe handicaps to enter or reenter the workforce. The very nature of work and its role in the lives of individuals with developmental disabilities is being reexamined as programs focus on paid employment in integrated work settings (Wehman, 1988a; Matson & Rusch, 1986).

A significant degree of controversy has accompanied the supported employment initiative. Concerns have been expressed that supported employment will adversely affect existing alternative employment service programs for persons with disabilities. It is feared that the costs of operating supported employment programs might be excessively high and result in a reduction of resources to meet the needs of other less disabled individuals served by the already overburdened

rehabilitation system. Also, concerns have been raised regarding the availability of ongoing support funds required as a function of the Title VI-C program. Still others have questioned whether individuals with more severe disabilities will actually be included in supported employment programs, or whether the programs merely provide an alternative funding source for employment activities for individuals with mild handicaps.

It is within this climate of both excitement and caution that state rehabilitation agencies face the challenges of supported employment implementation. The policies devised in the 27 states that have received discretionary systems change grants will serve as a blueprint for future implementation activities and ultimately determine the success of federal initiative. The purpose of the present study is to examine the nature and impact of the regulatory and fiscal policies employed by 27 states to establish statewide supported employment service delivery systems.

The need for in-depth supported employment policy analysis is well documented. Braddock (1987) and Heal (1987) have encouraged increased efforts to analyze disability policies and expenditures in order to allow legislatures and the Congress to make informed policy decisions. Boggs (1987) recently called specifically for a comprehensive analysis of the national supported employment program.

Now is clearly the time, as policy decisions are rapidly being made, to initiate a comprehensive, state-by-state analysis of supported employment policies and implementation strategies, one that will begin to investigate the effectiveness, efficiency, and feasibility of the

supported employment systems change initiative. The results of such an analysis will contribute substantially to our understanding of supported employment and will allow federal and state agencies to begin to evaluate the impact of the supported employment provisions of the current Rehabilitation Act.

The intent of the present investigation was to conduct a state analysis of supported employment policies and implementation strategies. The investigation had several purposes, including: 1) assess the effectiveness of the Title III discretionary grant program as a tool to stimulate the development of supported employment activities; 2) gauge the progress that has been made in incorporating supported employment into the existing rehabilitation service system; and 3) identify national trends regarding major policy issues such as the availability of ongoing support services, the effect of supported employment on existing services, and the extent to which supported employment programs are serving individuals with the most severe disabilities. Through this investigation, the present status of national efforts in establishing the necessary policies, regulations, implementation procedures, and funding mechanisms required to fulfill the intent of the current rehabilitation legislation will be assessed.

To focus the investigation on key issues, a series of research questions were developed:

a. What policies and regulations are states developing to insure compliance with the Title VI-C regulations?

b. What mechanisms and funding sources are being used to fund ongoing support services required by participants in supported employment programs?

c. What is the effect of supported employment on existing service delivery models?

d. What strategies are being employed to insure the participation of individuals with the most severe disabilities in supported employment programs?

Method

Sample

The specific study population for this investigation consisted of the 27 states who were awarded a five-year systems change project by the Office of Special Education and Rehabilitative Services (OSERS). Ten states were funded in FY 86 and an additional 17 states received awards in FY 87. These 27 states comprised the sample for a retrospective analysis of state policy development and implementation strategies, participant outcomes, and program expenditures. Figure 1 lists the 27 states that comprised the study sample, not only for this paper, but also the three papers which follow in this monograph.

In each state, the investigation focused primarily on the agency or organization designated as the administering agency for the systems change project. However, the major purpose of the systems change projects was to stimulate supported employment activities throughout the entire state service delivery system and to encourage the cooperation of other state agencies in the development of supported employment services. The scope of the present study, therefore,

encompassed all supported employment programs known to the administering agency that had been initiated since the award of the systems change project.

Development of the Survey Instrument

A detailed process was used to develop a comprehensive survey instrument as the primary data collection vehicle for the investigation. First, meetings were held with officials from the National Institute of Disability and Rehabilitation Research (NIDRR) and the Rehabilitation Services Administration (RSA) to determine the supported employment implementation issues perceived to be most critical for future federal and state policy formulation. Second, the Employment Network project at the University of Oregon was contacted to ascertain the amount and type of data presently collected by the systems change projects and to assess the ability of the projects to provide various types of information. Based upon this input, a draft survey was constructed.

The draft instrument was then sent to a group of 20 key professionals to obtain an expert panel review of the instrument's content and format. Twelve of these individuals were project directors of the systems change projects. Federal officials from NIDRR, RSA, and the Department of Education Office of Planning and Budget were contacted for input. Two state mental retardation agencies were also contacted and requested to review the draft survey.

After receiving feedback from all 20 individuals, the instrument was significantly revised. The modified survey was sent to the federal officials who had participated in the previous review to make certain

the key federal policy and outcome issues identified by these agencies remained in the revised draft. Based upon input from these officials, a final version of the survey instrument was prepared for dissemination.

In its final form the Survey of Supported Employment Implementation contained three sections. The first section requested project directors to respond to 12 questions focusing on the policies and strategies being employed to develop statewide supported employment systems in their respective states. Project directors were asked to provide narrative responses to the questions and to include all pertinent policy documents, implementation manuals, and other supplementary written material that would elaborate and clarify their responses in this section.

The second section of the survey instrument contained 17 items that focused on the quantifiable aspects of supported employment implementation and the key employment outcomes achieved by consumers participating in supported employment. The third section of the survey requested information regarding the amount and sources of funds being used to implement supported employment programs. Project directors were asked to specify the total amount of funds expended for supported employment activities, to identify the sources of these funds, and to indicate whether these funds were being used for initial training or ongoing support services.

Content of the Survey Instrument

The survey instrument examined a broad range of supported employment issues. The present investigation focuses on information

derived from the first section of the survey, which addressed the policy and program development activities employed by the 27 states to establish and operate comprehensive, state-wide supported employment service delivery systems. The second and third sections of the survey, which investigated the demographic characteristics and employment outcomes of supported employment participants, the costs of program operation, and the amount and source of supported employment funding are described in subsequent papers. The present analysis focused on five specific content areas, each of which is briefly described below.

Strategies used to establish local supported employment programs. Variables investigated focused on the nature of state level policies and implementation mechanisms designed to establish and maintain local supported employment programs. Specific data elements included the procedures used to award start-up grants to local programs, the development of regulations to establish and operate fee-for-service reimbursement mechanisms, and other program funding procedures.

Implementation of VI-C regulations. The presence and content of state level policies, regulations, and/or monitoring mechanisms designed to operationalize and guarantee compliance with the Title VI-C regulations defining supported employment were examined. Specific data elements included policy and regulation documents that define paid work, integrated work settings, and ongoing support services, the critical elements of the Title VI-C supported employment regulations.

Availability of ongoing support services. The key characteristics of state-level cooperative agreements were examined, including the availability of funding for ongoing support services, the type of

agency providing ongoing support funding, and the definition of the point in time when time-limited training is completed and ongoing support services commence.

Conversion of existing facilities/programs. Information was obtained regarding the presence or absence of state level policies or goal statements that establish guidelines for the conversion of existing service programs. Specific data elements included documents that define program conversion policies, and the content of facility conversion manuals where such manuals were available.

Extent of participation by persons with severe disabilities. The major variable examined was the presence or absence of specific strategies to insure the participation of individuals with the most severe disabilities into a state's supported employment service delivery system.

Procedures

The Survey of Supported Employment Implementation was introduced to state project personnel at the Employment Network project director's meeting in Washington, D.C. in June, 1988. At this meeting, staff from the 27 projects were provided an overview of the survey and the timeline for completion of the study. Following this meeting, survey packages were mailed to each project director.

In most states, a number of different individuals from various agencies assisted the project director in completing the survey. Representatives from the budget and program evaluation units within state rehabilitation agencies often assisted in completing items related to consumer outcomes and program expenditures. Staff from

other state agencies provided information regarding the content of cooperative agreements and the costs of ongoing support services. In other states, externally contracted agencies responsible for program evaluation participated in the completion of the survey sections dealing with participant employment outcomes. Several states reported the establishment of interagency work groups under the coordination of the project director to synthesize all information required for survey completion. Completed surveys were returned by all 27 states by November, 1988.

Data verification consisted of a series of structured telephone interviews with each project director. The purpose of the interviews was to verify all responses as transcribed, clarify specific responses as necessary, and provide the project director an opportunity to elaborate upon any information provided. To facilitate the interview process, a series of questions was prepared for each of the three sections of the survey. After the data verification process was completed, individual state profiles were prepared for each of the 27 states. The profile was then forwarded to each state to review the accuracy and completeness of the transcribed information. After each state had affirmed the accuracy of the information contained on the profile, data analysis was initiated.

Results

Procedures for Insuring Compliance with Title VI-C Regulations Regarding Paid Work, Integrated Work Settings, and Ongoing Support

The Rehabilitation Act Amendments of 1986 have established specific criteria for supported employment programs funded through

Title VI-C monies. Individuals in supported employment must engage in paid work, in integrated work settings, with the availability of long-term ongoing support (Federal Register, 1987, August 14). Paid work has been defined as a minimum of 20 hours per week for which the individual is paid in accordance with the Fair Labor Standards Act. Integrated work settings are defined as those in which no more than eight individuals with disabilities are employed in the same setting. The availability of ongoing support has been defined as a commitment from another agency or organization to provide a minimum of two ongoing support contacts per month for the duration of an individual's employment.

State agencies are using a number of different implementation strategies to insure that programs receiving Title VI-C funding meet the established criteria. At least four different types of strategies can be categorized from the survey responses to items dealing with this issue.

First, approximately one-fourth of all states have incorporated some or all of the Title VI-C provisions into the basic definition of eligibility for supported employment. In addition to meeting the general eligibility definition for rehabilitation, an individual must also, for example, have an identified source (state, local, or private program) of ongoing support services. Alternatively, some states have established criteria that require individuals deemed eligible for supported employment services to possess a disability which constitutes a need for specialized training and follow-up services that only supported employment can provide.

Secondly, an equal number of states have incorporated the provisions of Title VI-C into guidelines for development of the Individual Written Rehabilitation Plan (IWRP) or as criteria for case closure into supported employment. States have established guidelines requiring counselors to target employment of 20 hours or more per week in integrated work settings when setting an IWRP goal of supported employment. In other instances, precise guidelines outlining the employment outcomes and ongoing support provisions constituting a supported employment case closure have been implemented on a state-wide basis.

Third, the most frequently cited strategy reported by the Project Directors consisted of requiring local service providers to commit themselves to compliance with the regulations as a condition for accepting Title VI-C funds. These conditions are generally included in a vendor agreement or as a component of a demonstration project application.

The final strategy employed focused on mechanisms used to monitor and provide technical assistance to programs providing supported employment. A number of states reported the development of management information systems specifically to track the outcomes of supported employment programs or modification of the existing rehabilitation client tracking system. Several states have developed quality assurance monitoring programs to gauge compliance through on-site visitations. Others have used regional consultants to provide technical assistance to local programs focusing on this issue.

It is interesting to note a few states have established program requirements that exceed the guidelines contained in Title VI-C. Vermont, for example, elected to modify the concept of integrated work setting, requiring the placement of "no more than two people with disabilities in any work space."

Almost all states reported some type of specific procedure to insure that programs funded through Title VI-C met the federal regulations for this program. However, not every state has universally adopted these requirements for all supported employment activity. In a large number of states, supported employment activities funded through the Title I basic state grant program or through state general revenue monies operate on guidelines different from those in the Title VI-C program. Most frequently, variation is found in the regulations pertaining to paid work. In many states, supported employment activities funded through sources other than Title VI-C provide services leading to employment at less than 20 hours per week.

Availability of Ongoing Support Services

The supported employment provisions of the 1986 Amendment require state rehabilitation agencies to develop cooperative agreements with other agencies and organizations to insure availability of ongoing support services for persons placed into supported employment. The lack of adequate, stable long-term funding for certain groups of disabled individuals has been frequently cited as a major obstacle to the full implementation of supported employment (Wehman, 1988b). To investigate this issue, survey items were included that dealt with the availability and source of ongoing support services, as well as the

point in time at which time-limited funding ceases and ongoing support funding begins.

States were first asked to indicate whether ongoing support funds were available for seven specific groups of individuals with disabilities. Initial state responses were further clarified in telephone interviews to verify both the extent to which any reported services were available and the source of ongoing support funding.

Data were first analyzed to determine the number of states that possessed a formal policy and funding mechanism mandating the provision of ongoing support services to individuals in supported employment placements for each of the seven disability populations. States with a mandated source of ongoing support funding for a specific disability category were those with a significant source of funds for supported employment ongoing support services within state or local agency budgets that were equally available to individuals in all areas of the state. Results of this analysis are contained in Table 1.

As indicated by the data in Table 1, states universally were able to provide ongoing support services for individuals with mental retardation. In a large majority of states (77%), persons with long-term mental illness are also able to access services. However, it has been a formidable challenge for many states to identify mechanisms to fund ongoing support services for other individuals. Mandated ongoing support services were available in only a small percentage of states for persons with traumatic brain injury (19%), cerebral palsy (33%), other physical disabilities (30%), and sensory impairments (19%).

In many instances, ongoing support services are available to persons with traumatic brain injury, cerebral palsy, other physical disabilities, and sensory impairments only if the individuals additionally meet the criteria of the state MR/DD agency. Some states provide ongoing support services at the option of local agencies, resulting in services not being equally available in all parts of the state. In other situations, limited amounts of state funding have been identified that, while effective, only provide a small percentage of the resources required to meet the identified service need.

A large variety of sources of ongoing support funding was reported by the states, reflecting an extensive amount of cooperative planning between state and local agencies and organizations. Frequently cited sources of ongoing support funds included: state general revenue funds; local community agency funds; Job Training Partnership Act (JTPA) funds; Medicaid Waiver funds for waiver eligible consumers; special state appropriations for specific groups of individuals (e.g., transition-aged individuals with autism); and private funds (e.g., United Way or other charitable contributions).

States were also requested to provide detailed information regarding the content of cooperative funding agreements. Information was elicited concerning the specific point at which time-limited funding from the rehabilitation agency is terminated (closure) and ongoing support funding is provided by another agency. Results of this analysis are described in Table 2. From a policy perspective, this information is an excellent indication of relative fiscal responsibility of the state rehabilitation program and other state and

local agencies and is useful in projecting the future costs of supported employment to a particular agency (Hill, 1988).

Twelve of the 27 states have specific guidelines in effect that determine the duration of time-limited funding as a function of the amount of services provided to an individual within a specified period of time. In most instances, time-limited funding ceases when an individual receives supported employment services for 20-25 percent of the hours worked for a specified period of time (30-60 days).

Other states have adopted a more clinical approach to determine the point in time at which ongoing support is initiated, generally relying on the local rehabilitation counselor or local interagency teams to make decisions on an individual basis. These states frequently reported the use of clinical criteria such as "client has steadily increased production rate" or "evidence of environmental stability" in decisions regarding specific individuals.

A small number of states indicated that the state rehabilitation agency had established guidelines regarding the total amount or duration of services that can be provided to a single individual. For example, one state set an upper limit of 140-170 hours of time-limited services for a single individual. Another state indicated that time-limited funding was provided for a maximum of six months after placement for each participating consumer.

Finally, five states indicated that policies regarding the duration of time-limited funding had not yet been established. These states tended to be those that had focused extensively on demonstration grants and service contracts to develop local supported employment

programs. States operating large-scale fee-for-service programs were more likely to have established specific policies related to the duration of time-limited services.

Effect of Supported Employment on the Existing Service System

The specific responses provided by the project directors to an item dealing with the conversion of existing programs to supported employment are categorized in Table 3. States were allowed to indicate more than one response to this item, therefore the sum of all responses is greater than 27. Twenty states identified current policies that encouraged the reallocation of existing day program slots or the elimination of existing sheltered employment/day activity programs. However, only four states were identified in which reallocation of existing day program slots was a mandated state policy. Seven states reported plans to issue formal policies related to conversion of existing day service programs in the near future, while nine states indicated no such plans.

While large scale elimination of existing day programs was not reported, almost half of the states (48%) indicated that they planned to limit the future expansion of day service programs to supported employment. Only five states had stated policies that expressed a clear commitment to maintaining all existing sheltered employment and day activity programs at current capacity while viewing supported employment as an opportunity to expand their array of available vocational services.

Responses regarding formal plans to convert existing services to supported employment indicate the caution with which states are

addressing this issue. In general, states are taking a slow, carefully planned approach to system conversion. A few states follow a more aggressive strategy of setting specific conversion targets or other mandated approach. A small group of other states is clearly committed to maintaining existing day service programs at their present capacity.

Among the states taking a more assertive approach to conversion, most reported setting specific targets for the reallocation of a prescribed number of existing day program slots to supported employment. Florida, for example, has formal plans to convert five percent of its day program slots to supported employment over each of the next five years, resulting in a total conversion of 25% of the existing service systems. Minnesota, on the other hand, has relied almost exclusively on a conversion strategy for the past several years, a strategy that has resulted in thousands of individuals participating in supported employment in over 125 local rehabilitation facilities and day training programs.

Perhaps the most significant indicator of state commitment to the establishment of supported employment service delivery systems is the relatively large number of states that have formal plans to limit the future expansion of day service programs to supported employment. Thirteen states have indicated a willingness to commit to supported employment as the sole option of future program expansion. In many of these states, as recently as 1985, few if any supported employment programs were even in operation, indicating how rapidly supported employment has come to be viewed as the preferred employment

alternative for persons with developmental and other severe disabilities.

Strategies for Incorporating Individuals with the Most Severe Disabilities into Supported Employment

The intent of the supported employment initiative is to serve individuals traditionally not eligible for rehabilitation services. To examine the strategies being employed to allow these individuals access to services from state rehabilitation agencies, the survey elicited information regarding the strategies and procedures being used to encourage the participation of individuals with the most severe handicaps in supported employment programs.

The primary vehicle for promoting the participation of persons with the most severe disabilities was the demonstration or start-up grants program operated by the state agency. A number of states, such as Alaska, Florida, and North Dakota, have focused their demonstration or incentive programs toward serving individuals from specific disability categories, including persons with moderate, severe, or profound mental retardation, severe mental illness, autism, multiple handicaps, or traumatic brain injuries. Other states, such as Oregon, while not setting specific criteria, emphasize the commitment of local programs to serve individuals with the most challenging needs as an evaluation factor when awarding demonstration or incentive grants.

Another strategy reported by several states consisted of modifications of policies or guidelines to encourage services for persons with the most severe disabilities. For example, Connecticut, within state DRS supported employment guidelines, has indicated that

"In cases where the individual is considered for work activity, extended work adjustment in the workshop, sheltered employment, or case closure of 'handicap too severe', a serious look should be given to supported employment." This guideline is intended to focus services on individuals previously excluded from competitive employment. California, on the other hand, has modified vocational rehabilitation policies to allow individual counselors greater flexibility in serving individuals with more severe disabilities.

Discussion

The results of the investigation indicate that the federal strategy of establishing supported employment demonstration projects has had a significant impact on the development of statewide systems of supported employment in the 27 targeted states. At the same time, survey responses emphasize the preliminary nature of the results. Ten of the projects had been in operation for only 33 months and 17 projects had only operated for 21 months at the time of the survey. The primary systems change efforts initiated by various states are just now beginning to lead to widespread supported employment opportunities. State agencies are working to respond to several challenges that have arisen during implementation.

Viewed as a group, the 27 states have done an extremely effective job of implementing supported employment service delivery systems in a very short period of time. Policies have been developed to incorporate supported employment into existing state systems. Program guidelines and funding mechanisms have been quickly developed, enabling local programs to initiate supported employment services in a rapid and

organized fashion. Interagency agreements, particularly with state MR/DD and Mental Health agencies, have been developed to insure the provision of ongoing support. Most importantly, programs have been established and individuals with severe disabilities are beginning to participate in supported employment programs in large numbers.

While a significant amount has been accomplished, the results indicate that much remains to be done. Many of the newly established local supported employment projects have been in operation for only a short period of time. It is clearly too early to judge the ultimate success of the programs. Management information systems are just now in 1988-89 beginning to track the outcomes achieved by consumers participating in the demonstration supported employment programs. Interagency agreements in some instances are still being developed and ongoing support funds are still being sought to allow individuals with an array of primary disabilities to equally participate in supported employment. State agencies are now just beginning to turn their attention to a variety of quality assurance issues.

It is clear from the survey results that states are moving cautiously in two particular areas -- the establishment of interagency agreements to fund ongoing support services and the development of policies relating to the conversion of existing programs. It is also apparent that states are beginning to commit substantial resources to insure that supported employment programs are of the highest quality. Each of these issues is discussed below.

Lack of Interagency Agreements

The data presented above clearly indicate that identifying sources of long-term ongoing support funding for supported employment programs is a major implementation challenge. Ongoing support funding is generally not available for individuals with disabilities other than mental retardation or long-term mental illness. Where no state agency possesses a legislative mandate to provide services to certain groups of individuals, it has been very difficult for states to identify sources of funds for ongoing support services. As a result, it has been very difficult for individuals with cerebral palsy, traumatic brain injury, sensory impairments, and other disabilities to access supported employment services.

Even where ongoing support funding is available, cooperating state agencies have often been reluctant to make long-term funding commitments. This reluctance is primarily due to uncertainty regarding the long-range costs of funding ongoing support services. It is clear the costs of providing ongoing support will increase annually as more and more consumers enter this phase of supported employment. In contrast, time-limited initial placement and training costs funded by the state rehabilitation agency will be much more stable on a year to year basis. Until much more is known about the costs of operating supported employment programs, states will be quite cautious when committing large amounts of resources to supported employment.

Conversion of Existing Programs

The potential effect of supported employment on existing service programs has been an issue of great concern. For the most part, states

have responded by taking a cautious approach to the issue of conversion of existing day services. While encouraging the reallocation of existing day program slots to supported employment, most states have focused their efforts toward future program expansion. Emphasis has been placed on limiting future program expansion efforts to supported employment programs, while projects work to develop a conversion policy based upon input from numerous state and local agencies, consumers, and service providers. In reality, supported employment to date has primarily occurred through expansion of existing service programs. The large scale elimination of sheltered employment programs favored by some and feared by others has not occurred.

Efforts toward quality assurance. Now that a large number of supported employment programs have been established in most states, projects are starting to devote considerable time and resources to assuring that the services provided are of the highest quality. States are expressing concern that persons with the most severe disabilities are not sufficiently represented in supported employment programs. Mechanisms providing technical assistance to local agencies are now in place, and state agency monitoring and evaluation programs are being implemented. Management information systems exist in some states and are being developed in others. These data systems will allow policy-makers and advocates to examine concerns such as the types of persons participating in supported employment; the effectiveness of the Title VI-C regulations pertaining to paid work, integrated work settings, and ongoing support; the level of integration experienced by individuals in competitive work settings; and the most effective types

of supported employment service delivery models for promoting long-term employment retention.

Conclusion

As a national initiative, supported employment remains a very new employment alternative for individuals with developmental and other severe disabilities. The federal strategy of funding state systems change projects has been successful in facilitating the development of policies and strategies that have encouraged the large scale implementation of supported employment. However, much remains to be accomplished in several key policy areas and the ultimate effect of recent policy efforts will not be known for some time.

Supported employment also remains a relatively small program in comparison to existing rehabilitation and alternative day programs. While the increase in the number of supported employment programs since 1985 has been staggering, the number of persons participating in supported employment represents only a small percentage of the total number of individuals served by state rehabilitation agencies or alternative programs such as sheltered workshops or day activity centers. Given this situation, it appears likely that supported employment will continue to expand in the immediate future.

States should be encouraged to continue the development of innovative approaches to implementation and creative solutions to implementation obstacles. It is clearly too early in the national supported employment initiative to stop experimenting with different training technologies and service delivery models. Efforts must continue to guarantee that supported employment services are being

accessed by the individuals for whom they were intended. Consensus must be reached in each state regarding the relationship of supported employment to existing employment services for persons with severe disabilities.

The 27 state demonstration projects represent an effective federal strategy to stimulate state systems change efforts to reshape employment services for persons with severe disabilities. While demonstrating considerable success to date, it is apparent that real systems change is a long and complex process, requiring the input and cooperation of a large number of individuals and organizations. While results to date are very positive, the present investigation should be used as a benchmark from which to judge the ultimate success of long-term systems change activities in the years to come.

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Figure 1

States with Discretionary Systems Change Grants Participating in the Survey of Supported Employment Implementation

Alaska	New Hampshire
Arizona	New York
Arkansas	North Carolina
California	North Dakota
Connecticut	Oklahoma
Delaware	Oregon
Florida	Pennsylvania
Illinois	Utah
Kansas	Vermont
Kentucky	Virginia
Michigan	Washington
Minnesota	Wisconsin
Montana	

Table 1

Percentage of States with Statewide Mandated Ongoing Support Services for Individuals with Various Primary Disabilities

(States Reporting = 27)

Mental Retardation	100%
Long-Term Mental Illness	77%
Traumatic Brain Injury	19%
Cerebral Palsy	33%
Hearing Impairments	19%
Visual Impairments	19%
Other Physical Disabilities	30%

Table 2

Duration of Time-Limited Funding

(States Reporting = 27)

Policy Category	Number Reporting
Specific guidelines based on stabilization or closure criteria	12
Local level decision of rehabilitation counselor or interagency team	7
Upper limits established regarding amount and duration of time-limited funding	3
Policies regarding duration of time-limited funding not yet established	5

Table 3

Current State Strategies for Converting Existing Day Service Programs to Supported Employment Programs

(States Reporting = 27)

Strategy	States Reporting This Activity
Encourage the reallocation of existing day program slots or the elimination of existing sheltered employment/day activity programs	20
Mandate the reallocation of existing day program slots to supported employment	4
Limit future expansion of day service programs to supported employment	13
Supported employment viewed as an expansion of existing services	5
Will issue formal conversion policy statement in the near future	7
No plans to issue formal conversion policy statement	9

Note: More than one response allowed for this survey item; therefore sum equals greater than 27.

Supported Employment Implementation I:
Characteristics of Persons Being Served

Paul Wehman
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Within the past five years there has been an enormous amount of attention focused upon supported employment as an outcome for adults with severe disabilities who have been historically unemployed or underemployed (Wehman, 1988). Supported employment initiatives from the federal government as well as federal regulations on supported employment have called upon professionals to emphasize services to people with the most severe disabilities (Will, 1984; Federal Register, 1987). Subsequently, major five-year grant awards were made in 1985 and 1986 by the Office of Special Education and Rehabilitative Services to 27 states. The purpose of these awards was to change, modify, or convert the existing adult service systems of segregated day programs for persons with developmental disabilities to industry based paid employment. A major focus of this effort was to involve people with severe disabilities who have historically been considered unemployable into the nation's labor force.

The systems change demonstration strategy was a bold one, indeed. This strategy called upon vocational rehabilitation, developmental disabilities, and independent day programs such as the thousands of rehabilitation facilities to rethink their way of delivering vocational services. Major elements of supported employment which were stressed in the awarding of the systems change projects were (a) pay for real work, (b) integration with nonhandicapped workers, and (c) an emphasis on placing people with truly severe disabilities. These elements focused on the fact that many persons were at that time in segregated day programs earning little or no money. Yet research has shown that they could work in integrated employment programs using a supported

employment model (Kiernan & Stark, 1986; Major & Baffuto, in press; Rusch, 1986; Vogelsberg & Richard, 1988; Wehman, Hill, Hill, Brooke, Pendleton, & Britt, 1985).

The purpose of this paper is to examine the results of supported employment implementation in the 27 states which initially received these grant awards. Specifically, we were interested in knowing the answers to the following questions:

- Who is participating in supported employment programs?
- What is the degree of severity, i.e., functioning capacity, of those participating in supported employment?
- What impact is supported employment having on the federal-state vocational rehabilitation program?
- How many hours per week are supported employment participants working?
- What type of supported employment models are being used?
- What kinds of wages are people earning?
- What types of employment positions are people taking?

In order to answer these questions, a comprehensive survey of the 27 model demonstration states was conducted. This paper reports one major aspect of this survey, that is, the characteristics of the persons who participated in supported employment and the employment outcomes associated with this participation.

Method

Sample

The specific study population for this investigation consisted of the 27 states who were awarded five year systems change special projects by the Office of Special Education and Rehabilitative Services (OSERS). In each state, the investigation focused primarily on the agency or organization designated as the administering agency for the systems change project. However, since the major purpose of the systems change projects was to stimulate supported employment activities throughout the entire state service delivery system and to encourage the cooperation of other state agencies in the development of supported employment services, the scope of the study encompassed all supported employment programs known to the administering agency that had been initiated since the award of the systems change project.

Development of the Survey Instrument

A multi-step process was used to develop a comprehensive survey instrument as the primary data collection vehicle for the investigation. First, input was received from officials from the National Institute of Disability and Rehabilitation Research (NIDRR) and the Rehabilitation Services Administration (RSA) to determine the key supported employment evaluation issues perceived to be most critical for future federal and state policy formulation. Based upon this input, a draft survey instrument was developed.

The draft instrument was reviewed by an expert panel comprised of 20 key professionals, including project directors from the systems change projects, staff from other research and training centers, and

Directors of supported employment programs in state Mental Retardation/ Developmental Disabilities agencies. After receiving feedback from all 20 individuals, the instrument was significantly revised. The modified survey was sent to the federal officials who had participated in the previous review to make certain the key federal policy and outcome issues identified by these agencies remained in the revised draft. Based upon input from these officials, a final version of the survey instrument was prepared for dissemination.

In its final form the Survey of Supported Employment Implementation contained three sections. The first section requested project directors to respond to 12 questions focusing on the policies and strategies being employed to develop statewide supported employment systems in their respective states. The second section contained 17 items that focused on the growth of programs over time and the key employment outcomes achieved by consumers participating in supported employment. The final section of the survey requested information regarding the amount and sources of funds being used to implement supported employment programs.

Based upon prior feedback, it was apparent that not all states had collected the necessary data to accurately respond to all items. However, the intent of the survey was to collect as much information about the current status of supported employment implementation as possible. Therefore, a decision was made not to restrict survey items to the minimum number of data elements to which all states could respond. Project directors were requested to respond to all items for

which data were available and to indicate those items for which the necessary data were not presently being collected or available in their state.

Content of the Survey Instrument

The survey instrument focused on a broad range of supported employment issues. The current analysis is a component of a comprehensive evaluative study of supported employment implementation across the 27 state systems change projects. The present investigation focuses on information derived from the section of the survey instrument that examined the growth of supported employment since the initiation of the systems change projects and the characteristics and employment outcomes of supported employment participants. The major areas of investigation encompassed within the present analysis are described below.

Characteristics of supported employment participants. Key data elements examined included the number of individuals in supported employment, the number of individuals entering the rehabilitation system for the first time, the number of individuals closed into supported employment, the number of individuals participating in each type of supported employment service delivery model, the primary disabilities of individuals served, the functional characteristics (measure of level of severity) of the individuals served, and the type of government benefits received by participants prior to receiving supported employment services.

Employment outcomes of supported employment participants. Among the key consumer outcome variables examined were the hourly wages,

hours worked per week, and type of jobs held by supported employment participants in each major service delivery model, as well as the cumulative wages earned by all program participants.

Procedures

Survey packages were mailed to the project directors in July, 1988. All 27 project directors completed the survey form and returned it, along with all background and supporting documentation, by November, 1988. While the project directors were the primary respondents, in all states other state agency officials or externally contracted evaluation organizations assisted in the completion of the survey.

Information from the returned surveys was entered onto spreadsheets. This process allowed the construction of individual state profiles as well as the development of an aggregated data base for subsequent analyses. Once entered, a lengthy process of data verification was initiated.

Data verification began with a series of structured telephone interviews with each project director. The purposes of the interviews were to verify all responses as transcribed, clarify specific responses as necessary (especially responses that indicated that requested data were unavailable), and provide the project director an opportunity to elaborate upon any information provided. To facilitate the interview process, a series of questions were prepared for each of the three sections of the survey.

When verifying the information provided regarding the growth of supported employment programs since the initiation of the systems

change project and the key employment outcomes achieved by consumers participating in supported employment, interview questions focused on the specific time periods encompassed by responses (e.g., state versus federal fiscal years) and the procedures used by states to compute specific data elements such as hourly wage and functioning level of the individuals served. When the sample size reported on a specific item varied from the total number of individuals participating in supported employment in a state, clarification was obtained regarding the source of the state's data for the item and the characteristics of the sample represented in the response. In states which aggregated information from several management information systems to complete the survey, information was obtained regarding the procedures used to synthesize the information. In all instances where it was indicated that information requested by a specific item was unavailable, an attempt was made to ascertain whether the data could be accessed by directly contacting another individual or agency to obtain the information.

After the interview process was completed, individual state profiles were prepared and returned to each project director. After each state had affirmed the accuracy of the information contained on the profile, data analysis was initiated.

Results

The first major question asked in this analysis is: Who is being served in supported employment? The total number reported by fiscal year for each state is contained in Table 1. The total number of individuals in supported employment has risen dramatically, from less than 10,000 in Fiscal Year 86 to almost 25,000 in Fiscal Year

88. In most instances, the information reported in Table 1 represents the total number of individuals in all supported employment programs in the state known to the project director for which data were available. Florida and Minnesota, for example, merged data from supported employment programs operated by multiple state agencies. In a few states, such as Pennsylvania, the data reported represent only individuals placed through programs directly affiliated with the state projects.

Table 2 indicates that the majority of individuals participating in supported employment are persons labeled mentally retarded, that is, 71.6% of the individuals for whom a primary disability was identified. Those individuals with long-term mental illness represented a distant second, with 14.6% of the persons reported. Persons with autism, traumatic brain injury, hearing impairment, cerebral palsy, and visual impairment combined accounted for no more than 5.2% of the total number of persons served.

With such a large number of persons reported as mentally retarded, the levels of mental functioning were also examined. These levels were based on the five American Association on Mental Retardation categories of mental retardation (Grossman, 1983). Figure 1 reflects that by far the largest concentration of individuals in supported employment are those with mild and moderate mental retardation. Of all individuals with mental retardation, 54.5% were labeled mildly retarded ad 31.3% were labeled moderately mentally retarded. Eleven percent of the individuals were categorized as severely or profoundly mentally retarded.

The total number of individuals participating in various supported employment models over fiscal years 1986, 1987, and 1988 is displayed in Table 3. It is clear that the individual placement model, also known as supported competitive employment (Wehman, 1986) or the job coach model (Wehman & Melia, 1985) has been the most popular to date. In each year, even though more states were reporting, approximately 59% to 66% of all persons were placed in this model. In the most recent year, 1988, about 10,000 persons were placed into supported competitive employment. Obviously, there is significant growth in the number of states initiating new programs and concomitantly in those reporting significantly large increases in supported employment participants.

The next question which we asked is: What level of involvement do supported employment workers have within the federal-state vocational rehabilitation program? Table 4 shows a similar picture of increasing numbers of states beginning to show supported employment involvement over the past three years and concomitantly an increase from 844 to over 7,000 new clients entering the rehabilitation system. States took a conservative approach to determining involvement in the rehabilitation system. Connecticut and Minnesota, for example, reported individuals closed into supported employment. Other states reported all individuals receiving services funded through Title VI-C, or other identifiable indicators of participation in supported employment in the state rehabilitation data base. For the most part these were either new clients or clients who had at one time been considered ineligible for services due to the severity of their disability.

Respondents to the survey were also asked about the status of individuals who were receiving government benefits (SSI, Medicaid, etc.) prior to entering supported employment. Less than 50% of the states reported data in this area. Data contained in Table 5 describe the percentage of individuals receiving various government benefits prior to supported employment. Table 5 indicates that over 74% of all supported employment participants in the 13 reporting states were Social Security recipients.

In conducting this survey we also wanted to know what the wage levels were for persons participating in supported employment, both hourly and cumulative. Similarly, information was also requested on the hourly earnings across models. To analyze hourly wages, a weighted mean was computed by weighting the mean hourly wage reported by each state for each model by the number of individuals in the state participating in that model. A similar procedure was used to compute a weighted mean hourly wage for the total number of participants. Figure 2 indicates that hourly wage of the individual placement model was significantly higher at $3.93 per hour; the mobile crew and enclave models were reported at $2.23 to $2.08 per hour, respectively. The average hourly wage for all participants was 3.06. There were a limited number of states that were able to present cumulative wage data. In 1986, close to $1.4 million was earned with only 4 states responding. This figure had increased to 15 states and over $12 million by 1988.

States were then asked to report average hours of work per week in which supported employment participants were engaged. Table 6

shows that the largest proportion of individuals (41.5%) was in the 20-30 hours per week category, with approximately equal amounts in the less than 20 hours per week (26.7%) category and 30-40 hours per week (27.5%) category. Almost three-quarters of all participants, reported by 16 of the states, worked more than 20 hours per week on an average basis.

Finally, we were interested in knowing the types of occupations in which supported employment participants were employed. Table 7 shows that 22.5% of the jobs were in the food service industry, with another 34.9% in cleaning and the custodial area.

Discussion

Before discussing the implications of the large amount of data presented within this paper, it is essential to review two major limitations of this analysis. First, in most cases only 50%-60% of the 27 possible states reported information on given elements within the survey. There are many reasons for this, but it is primarily due to the lack of an organized data management system in each state to easily allow for an individualized tracking of supported employment outcomes. This problem is a major deficiency in this analysis and therefore these results cannot be broadly generalized across the nation as of yet. The lack of systematic data management points to the serious need for a uniform means of gathering specific employment data on the way supported employment is being implemented nationally.

The second major limitation in interpreting these data is that the 27 states are only in the early to middle stages of their statewide implementation activities. It must be remembered that the first 10

states received initial funding in October 1985, with 17 additional states in October 1986; hence two-thirds of the states have had less than two years of full operation in a five year grant program. Obviously, these are preliminary results at best.

Despite these two significant caveats, it is possible to begin to draw some early, albeit tentative, conclusions about the impact of the national demonstration strategy as regards individual participants in supported employment. The following preliminary conclusions are probably safe to advance:

1. Persons with mental retardation, especially those with measured intelligence (IQ's) between 40 and 70, have been by far the major beneficiaries of supported employment to date.
2. The growth in the number of persons coming into supported employment is dramatic. In two fiscal years (FY 86 to FY 88) there has been an increase of nearly 250%.
3. Even greater growth in numbers of persons who were not in the vocational rehabilitation system but are now entering it as a result of supported employment is in evidence. A growth of 844 persons in FY 86 to 7,085 in FY 88 has occurred. What makes these figures remarkable is that these are persons who, a few years ago, would have been considered ineligible or "too handicapped" for vocational rehabilitation.

4. Cumulative wages of historically underemployed participants have grown from less than $1.4 million to over $12 million in less than two years in the 15 states reporting these data. When one considers the consequences of the alternative day program costs for these people plus the amount of these earnings that are returned to the local economies, this too has the potential for being a dramatic finding.

5. Clearly the states are reporting that many people (26.7% of the sample) participating in supported employment are working less than 20 hours weekly. This stands in direct conflict with the Rehabilitation Act Amendments of 1986 supported employment regulations, which call for an average of 20 hours minimum to be considered supported employment. In many instances, individuals working less than 20 hours a week are funded through sources other than Title VI-C, such as Title I or state MR/DD agency monies. While undoubtedly some of the local programs which reported these data did not have to operate under the Rehabilitation Act regulations, clearly the field is showing some serious question about these regulations.

How should these conclusions and other findings be interpreted? First, in reviewing the measured intelligence or level of mental functioning, the fact that 54.5% of the population served to date is labeled mildly retarded is a disappointment. The initial thinking

related to supported employment (Bellamy, 1984; Bellamy et al., 1986) called for persons labeled severely retarded to get the first priority of services with the expectation that individuals with mild retardation would go to work successfully with time-limited job placement services from the vocational rehabilitation system. This has clearly not been the case.

Hence, should we conclude supported employment has been a failure? This conclusion would only be reached if one placed a higher value on services to one category or level of person who was disabled than another. In fact, these data related to who is being served are indicating several things, two of which most sharply stand out to us. First, people in the field may be saying that they do not know how to successfully place and maintain persons with limited measured intelligence into real work environments. Service providers are not sufficiently trained and the researchers have not disseminated the results of studies that demonstrate successful integrated employment programs for this group of people.

The second message which we think the field is sending is that many persons with mild retardation simply cannot work without support; that is, they have failed in the time-limited VR system already because they need a more intensive vocational intervention. The implicit assumption that most of these persons could work competitively with minimum support may not be true.

Before one becomes too discouraged about the data in this regard it might be useful to review Table 8, which traces the growth in severe retardation placements and chronic mental illness placements

over a recent five quarter period of time in Virginia. Individuals with chronic mental illness participated at greater levels each quarter, from a total of nine in September, 1987 to 83 in September, 1988. Similarly, persons with severe and profound retardation increased from 24 in September, 1987 to 77 in September, 1988, a threefold increase.

The survey data are most encouraging about movement of clients into the vocational rehabilitation system. For the first time, many state agencies are increasing their caseloads of people with more severe intellectual disabilities. Unquestionably, these results indicate positive steps for supported employment services becoming part of the overall vocational rehabilitation program.

The explosive growth in wages, again over a short time period of two years, from one to 12 million dollars speaks well to the economic potential which many of these clients are unleashing. This is a group of people who had been shut out of the workforce and had no earning power, only income allowance payments from the federal government. A look, for example, at a recent annual report from Utah (1988) provided in Figure 3 shows the before and after supported employment weekly wages went from $22.87 to $72.63. Most of these clients are first time workers in the labor force and results indicate increased hours of work, increased hourly wages, and the development of a work history.

In sum, these results provide a preliminary picture and, more importantly, a baseline from which to measure the rate of growth of new participants coming into supported employment programs and

other progress which will occur. As noted earlier, the results reported reflect the level of information presently available with state management information systems. Over 60% of the 27 states have only finished their second year of operation. Hence these data should not be construed as national data but rather a representation of the 27 states which were recipients of the systems change model demonstration grants. Future reports will provide for an expanded data base.

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Table 1

Number of Supported Employment Clients by Fiscal Year

	FY 86	FY 87	FY 88
Alaska	45	96	142
Arizona	NA	NA	NA
Arkansas	NA	15	17
California	812	1,803	3,276
Colorado	323	909	1,073
Connecticut	763	1,467	2,658
Delaware	22	106	170
Florida	0	232	721
Illinois	NA	394	700
Kansas	0	64	130
Kentucky	51	197	286
Maryland	627	976	1,035
Michigan	NA	327	600
Minnesota	3,047	4,425	4,587
Montana	70	98	156
New Hampshire	100	300	705
New York	612	1,000	2,350
North Carolina	NA	NA	311
North Dakota	NA	178	305
Oklahoma	NA	20	78
Oregon	147	147	642
Pennsylvania	0	89	245
Utah	0	62	150
Vermont	226	381	515
Virginia	184	420	715
Washington	913	1,087	1,265
Wisconsin	1,691	1,797	1,985
Totals	9,633	16,590	24,817
States Reporting	20	25	26

NA = Data not available

Table 2

Percentage of Individuals with Various Primary Disabilities Served in Supported Employment

(Number of States Reporting = 27)

Disability Category	Frequency
Autism	.4%
Cerebral Palsy	1.8%
Long-term Mental Illness	14.6%
Hearing Impairment	1.8%
Mental Retardation	71.6%
Traumatic Brain Injury	.6%
Visual Impairment	.6%
Other	8.6%
Total	100%

Table 3

Number of Individuals in Various Supported Employment Models

Number of States Responding = 27

	FY 86		FY 87		FY 88	
	Number Reported	Frequency	Number Reported	Frequency	Number Reported	Frequency
Individual	3,933	66.6%	5,040	59.9%	9,878	64.5%
Enclave	742	12.6%	1,545	18.4%	3,022	19.7%
Work Crew	851	14.4%	1,107	13.0%	904	5.9%
Small Business	115	1.9%	169	2.0%	582	3.8%
Other	265	4.5%	555	6.6%	936	6.1%
Other clients not differentiated by model	412	--	656	--	0	--
Totals	6,318	100%	9,072	100%	15,322	100%

Table 4

Number of New Clients Entering the VR System
As a Result of Supported Employment

	FY 86	FY 87	FY 88
Alaska	NA	NA	NA
Arizona	NA	NA	361
Arkansas	NA	NA	194
California	0	992	1703
Colorado	NA	582	NA
Connecticut	0	0	90
Delaware	NA	NA	NA
Florida	0	10	292
Illinois	NA	NA	NA
Kansas	0	64	97
Kentucky	51	146	140
Maryland	40	100	250
Michigan	0	187	378
Minnesota	340	303	124
Montana	NA	NA	208
New Hampshire	10	75	130
New York	119	858	1280
North Carolina	NA	NA	200
North Dakota	80	118	135
Oklahoma	0	0	100
Oregon	147	240	100
Pennsylvania	NA	180	312
Utah	NA	62	88
Vermont	17	37	77
Virginia	NA	210	492
Washington	NA	NA	146
Wisconsin	40	106	188
Totals	844	4270	7085
States Reporting	15	19	23

NA = Data for this survey item were not available

Table 5

Number of Clients Receiving Government Benefits Prior to Entering Supported Employment

Type of Benefit	Percent Receiving	States Reporting
SSI	57.9%	13
SSDI	16.9%	13
Medicaid	12.3%	8
Medicare	2.3%	5
State Assistance	1.4%	2
Food Stamps	1.4%	4
Workman's Compensation	0%	2
Private Disability Insurance	.1%	2
Public Assistance	6.0%	9
Other	1.8%	7

Table 6

Average Hours Worked per Week by Individuals in Supported Employment by Employment Model

Number of States Responding = 16

Employment Model	Less than 20		20 - 30		30 - 40		More than 40	
	No.	Freq.	No.	Freq.	No.	Freq.	No.	Freq.
Individual	767	39.6%	1,377	45.8%	1,153	57.9%	254	82.5%
Enclave	461	23.8%	836	27.8%	479	24.0%	28	9.1%
Work Crew	432	22.3%	680	22.6%	337	16.9%	10	3.2%
Small Business	1	0%	67	2.2%	20	1.0%	2	.6%
Other	276	14.3%	46	1.6%	4	.2%	14	4.6%
Totals by category of work hours per week	1,937	100%	3,006	100%	1,993	100%	308	100%
Frequency of all reported consumers		26.7%		41.5%		27.5%		4.3%

Table 7

Nature of Supported Employment Positions

(Number of States Reporting = 18)

Type of Position	Number	Frequency
Food Service	1617	22.5%
Custodial	2511	34.9%
Clerical	248	3.4%
Manufacturing	839	11.7%
Other	1978	27.5%

Table 8

Cumulative Placements in Virginia of Persons with Severe/Profound Mental Retardation and Long-Term Mental Illness

	9/87	12/87	3/88	6/88	9/88
Severe MR	24	40	60	66	77
LTMI	9	29	40	62	83

Figure 1
Percentages of Individuals Served
in Supported Employment with Various
Levels of Mental Retardation

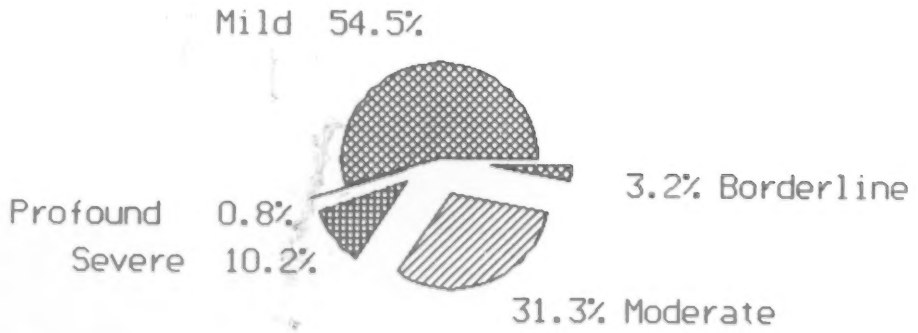


Figure 2
Average Hourly Wages by Model
of Supported Employment:
Weighted Mean Wages per Client Served

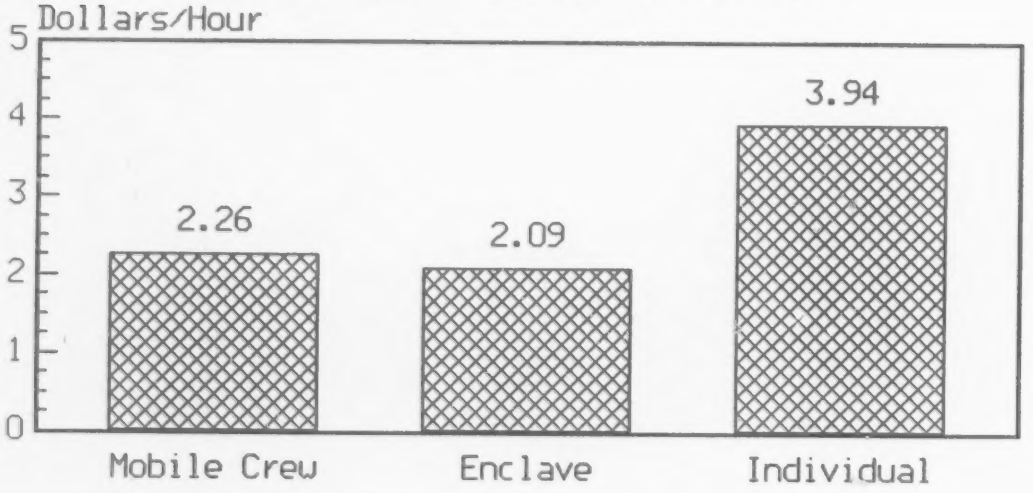
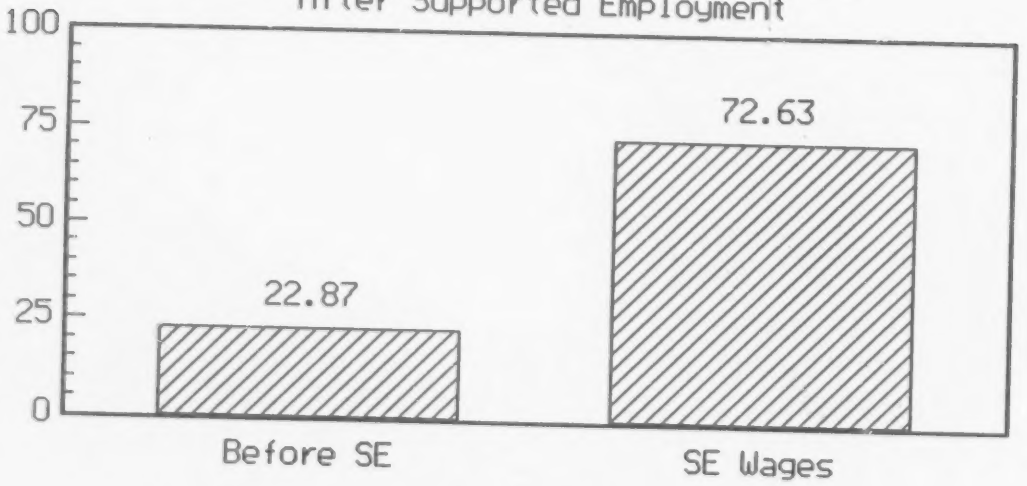


Figure 3

Average Weekly Earnings Before and After Supported Employment



Utah Supported Employment Annual Report
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Supported Employment Implementation II: Service Delivery Characteristics Associated with Program Development and Costs

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For several decades persons with severe disabilities, especially those with developmental disabilities, were not viewed as capable of working successfully in real work environments. Most of these persons were considered "too severely disabled". Subsequently, people with disabilities have consistently shown extraordinarily high levels of unemployment, such as 66% (Louis Harris Poll, February, 1986), 88% (Wehman, Kregel, & Seyfarth, 1985a), and 58% (Hasazi et al., 1984; Wehman, Kregel, & Seyfarth, 1985b). Partially in response to these high levels of unemployment, a new and different approach was developed called supported employment.

Supported employment is paid employment which takes place in integrated normal work settings (Wehman & Moon, 1988). The hallmark of supported employment is long-term staff support, a strong business focus to program development, and an emphasis on serving those with the most severe disabilities (Bellamy, Rhodes, Mank & Albin, 1988).

Supported employment has been viewed positively as an alternative to traditional adult day programs for persons with severe disabilities for numerous reasons (Bellamy, Rhodes, Bourbeau, & Mank, 1986). First, supported employment results immediately in a paid outcome, usually without government cash subsidy. Real wages improve the earning power of disabled consumers and help the local economy as well. Second, most adult day programs are segregated in nature; that is, they provide services only with other persons who are also disabled in large congregate settings. A third feature of supported employment which has been viewed attractively in comparison to adult day programs is the emphasis on a normal work routine and not an emphasis on "readiness"

which often leads to training nonfunctional skills, those which have little utility in daily life activities.

Perhaps one of the most appealing features of supported employment has been the perception and hope that local service providers could implement successfully such an attractive alternative at a lower cost or even a cost comparable to that of segregated day programs. There have been some limited data suggesting that this is possible (Noble & Conley, 1987; Kregel, Hill, & Banks, 1988; Wehman, Hill, Hill, Brooke, Pendleton, & Britt, 1985). However a broader data base of programs run independently of university affiliation has been lacking to date. The data which will be presented in this paper should begin to partially fill this void.

In this paper we will present supported employment program data from 27 states which received major five-year grant awards from the U.S. Department of Education, Office of Special Education and Rehabilitative Services (OSERS). These states are charged with targeting activities to develop, implement, expand, and evaluate supported employment programs in each of their respective states. Ten states were funded in 1985 (until 1990) and 17 more states in 1986 (until 1991).

The purpose of this paper is to analyze data which address the following questions:

1) What types of local agencies are providing supported employment?
2) What type of growth, if any, is there in the development of new supported employment programs?

3) What is the proportion of persons in alternative day programs (such as adult activity centers) to those in supported employment over time?

4) What are the costs of being in the respective models and alternative day programs?

5) What is the amount of staff intervention hours required on a supported employment case?

Method

Sample

The specific study population for this investigation consisted of the 27 states which were awarded five year systems change special projects by the Office of Special Education and Rehabilitative Services (OSERS). In each state, the investigation focused primarily on the agency or organization designated as the administering agency for the systems change project. However, since the major purpose of the systems change projects was to stimulate supported employment activities throughout the entire state service delivery system and to encourage the cooperation of other state agencies in the development of supported employment services, the scope of the study encompassed all supported employment programs known to the administering agency that had been initiated since the award of the systems change project.

Development of the Survey Instrument

A multi-step process was used to develop a comprehensive survey instrument as the primary data collection vehicle for the investigation. First, input was received from officials of the National Institute of Disability and Rehabilitation Research (NIDRR)

and the Rehabilitation Services Administration (RSA) to determine the key supported employment evaluation issues perceived to be most critical for future federal and state policy formulation. Based upon this input, a draft survey instrument was developed.

The draft instrument was reviewed by an expert panel comprised of 20 key professionals, including project directors from the systems change projects, staff from other research and training centers, and Directors of supported employment programs in state Mental Retardation/ Developmental Disabilities agencies. After receiving feedback from all 20 individuals, the instrument was significantly revised. The modified survey was sent to the federal officials who had participated in the previous review to make certain the key federal policy and outcome issues identified by these agencies remained in the revised draft. Based upon input from these officials, a final version of the survey instrument was prepared for dissemination.

In its final form, the Survey of Supported Employment Implementation contained three sections. The first section requested project directors to respond to 12 questions focusing on the policies and strategies being employed to develop statewide supported employment systems in their respective states. The second section contained 17 items that focused on the growth of supported employment programs over time and the key employment outcomes achieved by consumers participating in supported employment. The final section of the survey requested information regarding the amount and sources of funds being used to implement supported employment programs.

Based upon prior feedback, it was apparent that not all states had collected the necessary data to accurately respond to all items. However, the intent of the survey was to collect as much information about the current status of supported employment implementation as possible. Therefore, a decision was made not to restrict survey items to the minimum number of data elements to which all states could respond. Project directors were requested to respond to all items for which data were available and to indicate those items for which the necessary data were not presently being collected in their state.

Content of the Survey Instrument

The survey instrument focused on a broad range of supported employment issues. The current analysis is a component of a comprehensive evaluative study of supported employment implementation across the 27 state systems change projects. The present investigation focuses on information derived from the section of the survey instrument that examined the growth of supported employment since the initiation of the systems change projects. The major areas of investigation encompassed within the present analysis are described below.

Characteristics of supported employment programs. The survey examined an array of key data elements, including the number of supported employment programs established annually between 1986-88, the total number of programs providing services, and the types of programs providing services.

Operational costs of supported employment and alternative day programs. Key variables included the annual cost of providing services to individuals in the individual, enclave, and work crew models of supported employment, as well as the annual costs of extended sheltered employment, work activity centers, and day activity centers. Information was also obtained on the average annual hours of service required by participants working in individual placements.

Procedures

Survey packages were mailed to the project directors in July, 1988. All 27 project directors completed the survey form and returned it, along with all background and supporting documentation, during the fall of 1988. While the project directors were the primary respondents, in most states other agency officials or externally contracted evaluation organizations assisted in the completion of the survey.

Information from the returned surveys was entered onto spreadsheets. This process allowed the construction of individual state profiles as well as the development of an aggregated data base for subsequent analyses. Once entered, a lengthy process of data verification was initiated.

Data verification began with a series of structured telephone interviews with each project director. The purpose of the interviews was to verify all responses as transcribed, clarify specific responses as necessary (especially responses that indicated that requested data were unavailable), and provide the project director an opportunity to elaborate upon any information provided. To facilitate the interview

process, a series of questions were prepared for each of the three sections of the survey.

When verifying the information provided regarding the growth of supported employment programs since the initiation of the systems change project interview questions, interview questions focused on the specific time periods encompassed by responses (e.g., state versus federal fiscal years) and the procedures used by states to compute specific data elements such as number and type of programs across state agencies. The procedures used by states to compute operational costs were discussed with each project director or agency representative in detail. When the sample size reported on a specific item varied from the total number of individuals participating in supported employment in a state, clarification was obtained regarding the source of the state's data for the item and the characteristics of the sample represented in the response. In states which aggregated information from several management information systems to complete the survey, information was obtained regarding the procedures used to synthesize the information. In all instances where it was indicated that information requested by a specific item was unavailable, an attempt was made to ascertain whether the data could be accessed by directly contacting another individual or agency to obtain the information.

After the interview process was completed, individual state profiles were prepared and returned to each project director. After each state had affirmed the accuracy of the information contained on the profile, data analysis was initiated.

Results

Number of New Supported Employment Providers

Table 1 provides state by state totals for the number of new supported employment providers established in the past three years. These figures include both single purpose agencies and programs in which several different supported employment program providers operate under the fiscal umbrella of one agency. The numbers contained in Table 1 are not a cumulative total, but rather represent the number of new programs established only in the specific fiscal year.

The total number of providers over the three-year period of Fiscal Years 1986-1988 is 1,393. Three states, Illinois, Florida, and New York, showed tremendous growth in the most recent year; others, such as Oregon, showed a stable pattern of annual growth. Several states reporting a relatively small number of supported employment programs (e.g., Minnesota) do so because many programs were already providing supported employment prior to 1986.

Types of Local Agencies Providing Supported Employment

All states reported the number of agencies providing supported employment in the most recent fiscal year. Figure 1 illustrates the types of agencies providing supported employment services. Two-thirds (66.4%) of the programs providing supported employment were classified as rehabilitation facilities (includes agencies providing work activity or extended sheltered employment). Approximately one-fourth (26.8%) were categorized as non-facility, non-profit agencies.

Number of Persons in Day Programs Versus Supported Employment Programs

In order to determine the number of persons who were participating in supported employment compared to those in alternative (segregated) day programs Figure 2 was developed. Only the 15 states which could supply complete data for both supported employment and alternative programs across all three years were included in the analysis. We feel that this is the most conservative way of presenting these data.

Figure 2 indicates that in FY 1986, 96.4% of all 131,785 disabled consumers were in alternative day programs with only 3.6% in supported employment. Two years later the proportion of persons in day programs had shrunk from 96.4% to 90.6%. Concomitantly, the total participating in supported employment had increased from 3.6% to 9.4%.

Annual Costs of Supported Employment Compared to Alternative Day Programs

A number of the 27 states were only able to supply cost data for some of the models presented in Figure 3. These costs are computed by weighting the mean costs provided by each state by the number of individuals in each model. The data, therefore, represented weighted mean costs per client for the most recent fiscal year. Of the three alternative day programs, the adult day program showed an average cost of $6,806, the work activity center was $4,903, with long-term (extended) sheltered employment being $3,816. The three supported employment models cost $6,289, $5,784, and $5,284 for the industrial enclave, individual placement, and work crew models, respectively. The costs of supported employment programs varied considerably. The range of reported costs for each model was $2,800-$10,000 for the

individual placement model, $1,700-$7,300 for work crews, and $1,750-$8,007 for enclaves.

Mean Total Hours of Intervention Per Consumer Served in the Individual Placement Model

Only 11 states indicated that they had kept records for the average total of employment specialist intervention time in the most recent fiscal year for the individual placement model of supported employment. These data are reported due to the high number of consumers (64% of all supported employment participants) in the 27 states who are receiving employment support through this model (Wehman, Kregel, Shafer, & West, 1989, see previous paper in this monograph).

The average number of total intervention hours was 233.2, although the small number of states reporting makes the mean hours somewhat misleading. One state (Montana) reported less than 150 hours, five states averaged between 150-200 hours, two states averaged between 200-250 hours, and three states (Illinois, Michigan, and North Dakota) reported averages of over 300 hours annually.

Discussion

As noted in all of the papers within this research monograph, it is important to underscore the limitations of this research. There were a great number of questions to be answered in the survey. Many states have, unfortunately, a quite limited capacity to collect data and analyze it sufficiently to provide accurate information. Frequent verification efforts were necessary in some cases. Also it must be remembered that these states have been in operation, in most cases,

only 30 to 50% of the total months of the overall 60-month grant award period.

Notwithstanding these limitations, it is encouraging indeed to see the number of agencies and new providers beginning to offer supported employment as a program option. Recent surveys and data (e.g., Bellamy et al., 1986; Menz, 1987) indicate between 6,000 and 7,000 total day programs, activity centers, etc. are in existence nationally. With the approximately 1,400 programs established in supported employment over the past 30 months in only 27 states, it appears that a significant percentage of local programs now provide supported employment services. What these data do not tell us is which model(s) is offered, what proportion of overall agency resources are going into traditional day services versus supported employment, and what the future holds in terms of growth and expansion plans. We cannot assume what percentage of these 1,400 programs is focusing heavily on supported employment or on maintaining traditional day programs. There seems to be little doubt that the 27 state model demonstration strategy has certainly been effective at stimulating start-up programs through the use of seed money. In general, these start-up projects have been a catalyst for growth in local program development.

We believe this area, that of local program development in supported employment, is absolutely critical to maintaining supported employment initiatives nationally. The local community agency is the core or hub of the service program delivery. These agencies are the focal point of developing business linkages, public school relationships, and trust of consumers and their families. The local

agency is where change must start. Supported employment program quality will begin and end at this level of program.

There is a small but very definite trend toward increasing the percentage of total consumers in supported employment and reducing the total in segregated day programs. While only 15 states could provide 3 years of data, movement of 3.6% to 9.4% of total consumers is encouraging. With these figures as a benchmark, it may not be unreasonable to see 20-25% of all persons who need some form of adult support service move into supported employment within the next 3 to 5 years. In the short history of supported employment, it has been consistently shown that successful programs tend to create additional demand for more of these programs. Stated another way, consumers and their families tend to not accept segregated, nonpaying alternatives when similarly disabled peers are participating in supported employment.

Turning to comparative cost data which was received from a number of the states, it appears that the premise of similar or reduced cost of supported employment program operations when compared to adult day programs is accurate. Not surprisingly, the adult day program (i.e., adult activity center), which usually serves persons in the community with the most severe disabilities, turns out to be the most expensive at almost $7,000 a year on the average. This is a cost, similar to the other segregated day programs, which is present every year through the consumer's participation in the program. There are few or no offsetting sources of revenue or economic benefits in these adult service arrangements.

The $5,800 figure for the individual placement model is lower than the adult activity center cost and, more importantly, over time will be reduced to a figure probably one third to one fourth of that amount on long-term follow-along. The $5,800 figure is probably quite a bit inflated since all of the states had new start-up programs which usually cost more in the initial phases than during a more mature point in the development of the program (Hill, 1988). Furthermore, the costs for all of these models assume equal access to a competent labor pool of supported employment staff and resources for technical assistance. Obviously this assumption is not true, nor is it likely that economic opportunity for jobs was equal in all states. We know quite the opposite is true and this disparity has a direct effect on the speed of a placement.

It is unfortunate that only 11 of the 27 states were able to accurately report mean intervention hours associated with the individual placement model of supported employment. While the average was 250 hours, 8 of the 11 states were under 250 hours, which was encouraging. Kregel, Hill and Banks (1988) reported that 161 hours was the average annual intervention provided to a sample of Virginia consumers in the individual placement model. The number of intervention hours is an important figure to record because it helps plan and project the time (and resources) which will be needed to place, train, and retain individuals with severe disabilities. Hourly rates for intervention time vary from state to state and within states from as low as $10-12/hour in one locality to $38-40/hour in other communities. States and/or communities which have very high

intervention hour levels may need technical assistance in identifying specific problems which may be present. On the other hand, some states may be focusing extensively upon persons with exceptionally severe disabilities, thus requiring substantially more hours of job development and job site training time.

Concluding Remarks

The most positive elements found in these data are: 1) the number of new service providers appearing in recent years for supported employment, 2) the apparent trend away from segregated day programs to integrated supported employment programs, and 3) the fact that supported employment models are, for the most part, comparable or less expensive than segregated day programs. The last point on cost raises some very serious questions as to why local programs and states would support any continued funding for large segregated programs at all when the dual outcomes of pay and integration are achievable at a comparable or lower cost in supported employment alternatives. We would hope and expect that the trend away from these types of adult service day programs will accelerate in the next several years as the following events begin to occur:

1) the capacity of states and local programs to deliver supported employment increases, i.e., quality of knowledge improves, staff availability improves, etc.;
2) greater numbers of handicapped youth exiting special education with increased expectations will not tolerate segregated arrangements; and

3) the national economy continues to display a strong demand for entry-level service positions across the spectrum of different types of occupations.

As noted in other papers in this monograph, these data serve as a benchmark or baseline for future study in 1990-1991. We believe that a good start has been made but a long road is still ahead. The large core of supported employment programs developed in the last three years will form the basis for significant increases in the number of persons with severe disabilities entering competitive employment in the next several years.

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Table 1

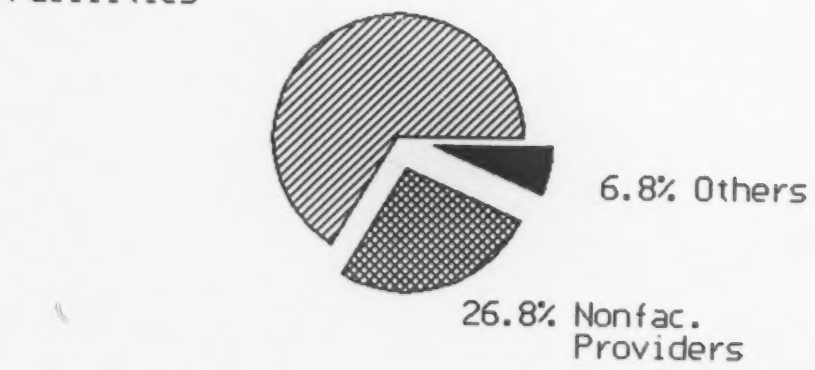
Number of New Supported Employment Providers Established

	FY 86	FY 87	FY 88	Total No. of New S.E. Providers*
Alaska	3	6	9	18
Arizona	18	16	9	43
Arkansas	0	5	11	16
California	34	112	68	214
Colorado	0	25	0	25
Connecticut	51	32	10	93
Delaware	1	3	5	9
Florida	0	7	45	52
Illinois	34	29	55	118
Kansas	0	8	9	17
Kentucky	10	11	11	32
Maryland	NA	44	16	60
Michigan	0	14	10	24
Minnesota	NA	8	2	10
Montana	4	1	10	15
New Hampshire	10	5	2	17
New York	43	97	174	314
North Carolina	NA	14	38	52
North Dakota	6	5	7	18
Oklahoma	0	4	4	8
Oregon	15	19	18	52
Pennsylvania	NA	5	6	11
Utah	0	7	6	13
Vermont	3	4	10	17
Virginia	5	24	25	54
Washington	NA	9	40	49
Wisconsin	9	9	24	42
Totals	246	523	624	1393
States Reporting	22	27	27	27

* Does not include providers of service prior to 1986

NA = Data for this survey item were not available

Figure 1
Types of Local Agencies Providing
Supported Employment Services



Number of States Reporting = 27
Total Agencies Reported = 1,364

Figure 2
Percentages of Persons in Supported Employment and Alternative Day Programs
(Number of States Reporting = 15)

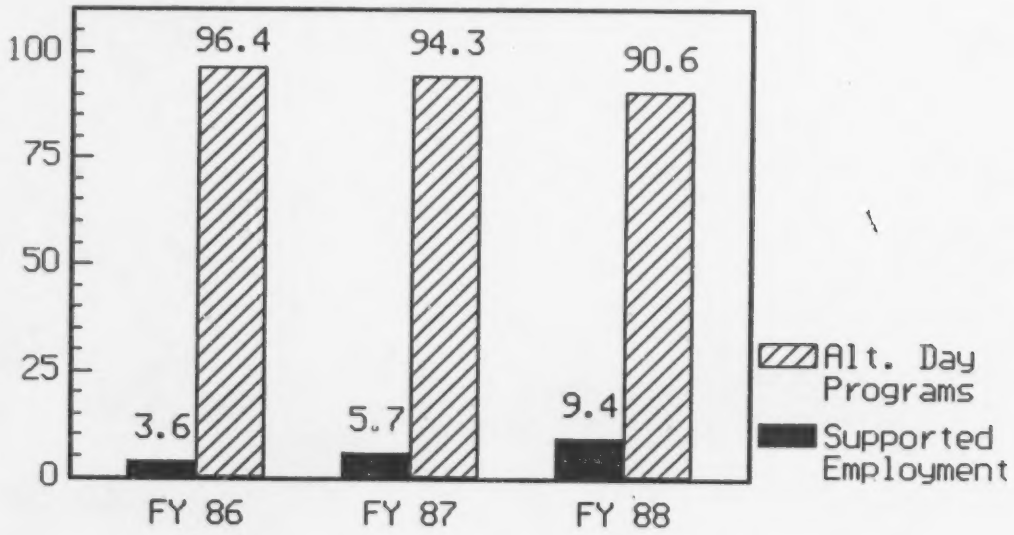
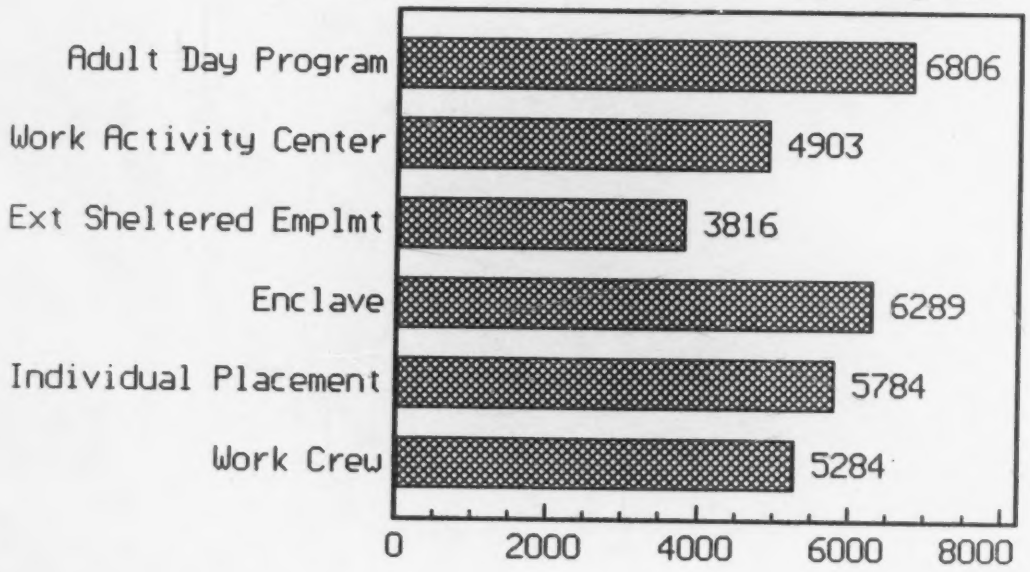


Figure 3
Average Annual Costs of Supported Employment and Alternative Day Programs



Public Policy and Supported Employment:

An Assessment of Fiscal Activity

1986 - 1988

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Public policy toward individuals with disabilities continues to receive increasing attention from researchers (c.f., Braddock, 1987; Castellani, 1987; Howards, Brehm, & Nagi, 1980; Levitan & Taggart, 1982). While this interest has been typified by a variety of analytical procedures, the assessment of public fiscal activity, as evidenced by monetary appropriations and expenditures, has been suggested to be the most direct and valid indicator of public policy (Braddock, 1987; Wildavsky, 1975). Braddock and his colleagues (Braddock, 1987; Braddock, Hemp, & Fujiura, 1986; Heal & Fujiura, 1984), for example, have provided perhaps the most extensive and eloquent assessment of public disability policy utilizing fiscal activity as the level of analysis.

During the past five years, supported employment has emerged as a major policy initiative that has impacted both federal and state governments. The federal policy toward supported employment was clearly articulated in 1985 when the Rehabilitation Services Administration (RSA) awarded discretionary grants to 10 states under the authority of Title III of the Rehabilitation Act. The purpose of those grants was to "stimulate systemwide conversion of pre-vocational daytime services to a supported work format" (Gettings & Katz, 1987, p. 7). Title III supported employment grants were awarded to an additional 17 states in 1986 resulting in a total of 27 state vocational rehabilitation agencies that received this funding. Each state agency received funding for a period of five years, resulting in a federal obligation in excess of $60 million.

In 1986, federal supported employment policy was further strengthened by the re-authorization of the Vocational Rehabilitation Act (P.L. 99-506). Most significantly, the re-authorized act established a new formula-based funding authority under Title VI, Part C to enable state agencies to provide supported employment services. Under this title, federal appropriations for Fiscal Year 1987 were in excess of $25 million to all general vocational rehabilitation and blind agencies. Additionally, the re-authorized act amended criteria for determining client eligibility so that supported employment services could be funded by the Basic State Grant Program under Title I of the Act.

In this article, the results of an analysis of federal and state fiscal activity within the 27 states that received RSA systems change grants are reported. The purpose of our inquiry was to identify the amount and sources of funds that states have obligated to enhance their implementation efforts. As such, we identified four essential objectives for our analysis. First, we wanted to assess and compare the fiscal behavior (as defined by fiscal expenditures and obligations) by the federal Rehabilitation Services Adminstration (RSA) and other federal and state agencies. Since the Title III grants were intended to promote systemwide change, we assumed that a comparative assessment of fiscal behavior by systemwide agencies would provide one indicator of this change.

A secondary objective of this study was to identify the amount of funds from the Basic State Grant Program (Title I) that state vocational rehabilitation agencies have used to fund supported

employment. Since these funds represent the single largest federal appropriation to state rehabilitation agencies, we assumed that the extent to which these funds have been used would provide a valid indicator of the degree to which state agencies had achieved the goal of systemwide implementation of supported employment.

A final objective of this study was to identify the amount of funds that state mental health, mental retardation, and other related state agencies have expended to fund supported employment. Since supported employment explicitly requires interagency cooperation and funding for ongoing supports, we were most interested in assessing the extent to which this cooperation, as evidenced by funding activity, had occurred.

Method

Sample

The sample for this investigation consisted of the 27 states that were awarded five year systems change projects by the Office of Special Education and Rehabilitative Services (OSERS). Ten states received awards in 1985 and an additional 17 states were funded in 1986. Within each state, the identified agency or organization designated as the administering agency for the systems change project served as the primary contact and source of information.

General Procedures

A survey entitled, "The Survey of Supported Employment Implementation" was mailed to each of the 27 project directors in July, 1988. Enclosed with the survey were instructions for completing the

survey and a cover letter of endorsement from Madeleine Will, Assistant Secretary for OSERS.

The surveys were completed by the project directors with input provided by other state agency personnel as needed. As such, representatives from the budget and program evaluation units within state rehabilitation agencies as well as representatives from state mental health and mental retardation agencies may have assisted in the completion of the survey by providing relevant data to the project directors. Project directors were requested to identify any other individuals who had provided information. Completed surveys were returned by all 27 states by November, 1988.

Follow-up interviews. Once the completed surveys had been returned, extensive telephone interviews were conducted with the project directors and personnel from other state agencies in an attempt to clarify the information that had been provided and attempt to retrieve missing or incomplete information. Telephone interviews were conducted with representatives from each of the following state agencies: vocational rehabilitation, mental health, mental retardation/developmental disabilities, services for the visually impaired, and developmental disability planning councils. These state agencies were contacted because they represented the essential agencies necessary to implement a comprehensive supported employment system. In some states, state agency representatives from education, labor, and finance were contacted based upon initial interviews with the project directors.

State profiles and verification. Following the telephone interviews, state profiles were individually constructed for each state, utilizing the data provided in response to the written survey as well as any additional information that was generated from the telephone interviews. These profiles made extensive use of technical notes to specify any manipulations made to the information provided, the source of the information, and the identity of all individuals providing information. These profiles were subsequently mailed to the project directors for inspection and final verification. The data used for this report were generated on the basis of these verified state profiles.

Instrumentation

As previously indicated, the primary method of data collection was The Survey of Supported Employment Implementation. This questionnaire consisted of three sections. Part I consisted of 12 questions focusing upon the policies and procedures employed to develop statewide systems of supported employment. Narrative responses to these questions were requested as well as any relevant policy documents, implementation manuals, or other material that would elaborate and clarify responses.

Part II contained 17 items that focused on the quantifiable aspects of supported employment implementation and the key employment outcomes achieved by consumers participating in supported employment. Part III was a budget spread sheet that requested information regarding the amount and sources of funds used to facilitate the development and operation of supported employment programs. The information reported in this article will consist exclusively of the budget data obtained

from Part III. For information on the results from the other sections of the survey, see Wehman, Kregel, and Shafer (1989).

Instrument development. The development of the Survey of Supported Employment Implementation consisted of a variety of activities. Initially, officials from the National Institute for Disability and Rehabilitation Research (NIDRR) and the Rehabilitation Services Administration (RSA) were contacted to solicit input regarding the information believed to be most critical for federal policy formulation. Additionally, the Employment Network project at the University of Oregon was contacted to obtain an understanding of the type of information presently collected by the state systems change projects. Based upon this input, a draft survey instrument was developed and sent to a group of 20 professionals throughout the country for feedback concerning the instrument's content and format. Twelve of these individuals were project directors of the state projects. Additional input was solicited from the NIDRR, RSA, and the Department of Education, Office of Planning and Budget, as well as the directors of supported employment in two state mental retardation agencies.

After receiving feedback from these individuals, modifications were made to the questionnaire. This modified questionnaire was then sent once again to officials of NIDRR and RSA to verify that the key federal policy and outcome issues identified by these agencies remained in the revised draft. Based upon input from these officials, the final version of the survey instrument was prepared for dissemination.

Fiscal Analysis

For the purposes of the study reported in this article, the focus of analysis was the budgetary information that was solicited in Part III of the survey instrument. As noted previously, additional information was also solicited through the follow-up telephone interviews that were conducted.

Our approach was to replicate the methodology that was developed and reported by Braddock and his associates (Braddock et al., 1986). However, in contrast to the reliance by Braddock upon published state executive budgets, we had to rely upon information provided to us by project directors and budget officers. In most states, supported employment has only recently been identified as a separate service code for accounting procedures, and, in most states, does not yet exist as a separate budget line item. Given that no permanent product (such as budget documents) existed to identify supported employment expenditures, we made extensive efforts to cross validate the information provided to us by contacting budget officers or representatives from other state agencies. Additionally, we made extensive use of technical notes in our state profiles which were validated by the state project directors.

Fiscal categories. Two broad categories of fiscal expenditures were identified: expenditures by the federal Rehabilitation Services Administration (RSA) and expenditures by other federal non-RSA agencies and state agencies. Within each category, a variety of funding sources were identified. Table 1 describes each of the classification categories that were used.

Analysis. The verified budgetary data were analyzed to identify the presence or absence of identifiable funding amounts and trends in the growth of these amounts over Fiscal Years 1986 through 1988. Data were also collected for Fiscal Year 1989; however, these data will not be presented due to the large frequency of missing data and the reliance upon projections and "best-guess estimates" by project directors to provide this information.

Initially, data were analyzed to identify the total amount of identifiable funds from all funding sources that have been obligated for supported employment over the successive fiscal years. Subsequently, a series of additional analyses were conducted to examine funding patterns over time within specific funding categories as well as to identify relationships existing between categories. Comparative analyses were conducted to determine the relative contribution of federal RSA funds to supported employment as compared to contributions from other federal and state funding sources.

Results

Rehabilitation Services Administration Funding

Three sources of funds were attributed to RSA that have been obligated for supported employment. These included the following: Title III systems change grant awards from discretionary funds, the Title VI, Part C formula grant awards to the general and blind agencies, and Title I Basic State Grant funds that were identified as specific obligations for supported employment by the general agencies. Table 2 provides an aggregate of these funding amounts for each of the three fiscal years under analysis.

Title III. As these data suggest, the Title III system change grants have provided $31 million to state agencies to assist in the development of supported employment services. These awards have averaged $446,960 per state per year and ranged from a low of $246,142 to Michigan in FY 1986 to a high of $588,162 to New York in FY 1988. In FY 1986, approximately $833,346 of the Title III grant awards were obligated by state agencies to local service agencies in the form of program development or seed grants. This amount increased to approximately $2,005,494 and $1,584,226 for FY 1987 and FY 1988, respectively.

Title VI, Part C. Beginning in FY 1987, funds were awarded to all state general vocational rehabilitation and blind agencies under the Title VI, Part C program. As indicated by the data in Table 2, over $28 million have been awarded to states under this authority during the two years of its existence. It is important to note, however, that the FY 87 funds were awarded to state agencies very late in the Fiscal Year and, as a result, states were allowed to retain these funds for obligation in FY 88 or FY 89. Twenty-six of the states that participated in this study responded that their FY 87 awards were retained for obligation in FY 88 and/or FY 89. The state of Michigan responded that they did not accept their Title VI, Part C award for FY 87.

Title I. Funds available under Title I of the Vocational Rehabilitation Act are intended to serve as the basic formula grant program by which state vocational rehabilitation agencies make services available to clients. As the data in Table 2 indicate, the amount of

supported employment obligations under this funding authority have grown seven-fold in three years, from $1.3 million in FY 1986 to $9.3 million in FY 1988. Furthermore, the data in Table 2 indicate that the number of states using Title I funds for supported employment has grown as well. In FY 1986, only 5 states reported specific funding amounts for supported employment. During that same year, an additional 5 states reported funding activity but were unable to identify the specific amount. By FY 1988, a total of 18 states reported specific funding amounts using Title I while an additional 4 states reported unspecified funding activity.

The Title I funding amounts reported in Table 2 represent only the federal contribution to Title I and do not include the approximate 24% match that state agencies provide (Rehabilitation Services Administration, February 11, 1988). As such, the total Title I obligations for supported employment in FY 1988, including state matching funds, exceeded $12.2 million. Individual state analysis of supported employment obligations under Title I is summarized in Table 3.

Funding by Other Federal Agencies and State Agencies

In addition to the three primary sources of supported employment funding from RSA that were identified, nine other funding agents were identified and evaluated. These included Title I matching contributions from the state general rehabilitation agencies, obligations from general state funds by these agencies, as well as obligations by state agencies of mental health and mental retardation/developmental disabilities, Medicaid/Title XIX, Job

Training Partnership Act, state education agencies, Developmental Disability Planning Councils, and other fiscal agents that were not specifically identified.

It is essential to note that the obligations by these other fiscal agents represent a mix of federal and state contributions which were not differentiated. For example, portions of the obligations reported by state mental health and mental retardation agencies represent federal Title XX funds. Our interest was not to distinguish state and federal contributions, but rather, to compare the fiscal activity of RSA to non-RSA entities. The rationale for this comparison rests with the assumption that the fiscal activity of other, non-RSA agencies provides one key indicator of the success by the Title III projects in achieving systemwide change.

Table 4 provides a summary of the fiscal activity by these non-RSA agencies during the three fiscal years under analysis. As these data suggest, all funding sources have displayed consistent growth, from a total of $17.1 million in FY 1986 to over $79.8 million in FY 1988. These figures, however, represent a conservative estimate of the total amount obligated by these various agencies because many states reported funding of supported employment without being able to identify the specific amount of funds. The fund amounts presented in Table 4 reflect only the amounts provided by those states reporting specific amounts. The number of fiscal agencies providing identifiable funding amounts in FY 1986 was 35, while an additional 28 agencies reported funding activity but were unable to provide specific funding amounts. In comparison, by FY 1988, a total of 91 fiscal agencies reported

specific funding amounts while 40 agencies reported unspecified fiscal activity. As such, these data indicate that the amount of funds for supported employment has grown, and, of equal immportance, the number of agencies engaged in the funding of these services has increased as well.

A critical aspect of the data presented in Table 4 is the extent of growth in fiscal activity by state mental health and mental retardation/developmental disability agencies. These agencies represent the necessary "partners" in the supported employment process from whom ongoing support services are typically funded. Furthermore, in many states, these agencies have been instrumental in providing funding for the development of supported employment service agencies and initial training and placement services as well.

The data in Table 4 reveal that supported employment funding by state mental health and mental retardation agencies displayed rapid and extensive growth: 8 state mental retardation agencies identified $9.7 million in supported employment funding in FY 1986, while 21 state agencies identified $45.5 million in FY 1988. Mental health agencies displayed even more dramatic growth, as only 4 states identified $1.3 million in FY 1986 as compared to $9.4 million identifed by 13 states in FY 1988. As such, fiscal activity, evidenced by the total amount of identifiable obligations and the number of states capable of identifying specific fund amounts, has shown dramatic expansion during the period of the Title III systems change projects. Individual state analysis of supported employment funding by mental health and mental retardation agencies is summarized in Table 5.

Total Contributions and Comparative Investments

By aggregating the total obligations of RSA and other agencies by each Fiscal Year, it is possible to estimate the total financial effort applied in the 27 states to establish supported employment services. Furthermore, by evaluating the comparative financial efforts of RSA and all other agencies, it is possible to assess the extent to which the Title III projects have facilitated systemwide change by "leveraging" funds from other, non-RSA agencies. Table 6 provides an aggregated summary of the financial obligations of RSA and other non-RSA agencies that have been attributed to supported employment.

As the data in this table suggest, the obligations of the Rehabilitation Services Administration toward supported employment have represented only a portion of the total funds applied to this initiative. In fact, non-RSA agencies have outspent RSA for each of the three fiscal years by a margin of nearly 2 to 1. While the combined contributions of these other agencies have far exceeded those of RSA, it is imperative to note that the financial obligations of RSA continue to represent the largest contribution of any single federal or state agency.

Discussion

The intent of this analysis was to depict the impact, as evidenced by fiscal activity, that has resulted from the development of supported employment in 27 states. The results of our analysis over a three year period indicate that federal expenditures from the Rehabilitation Services Administration (RSA) have approached $75 million, obligations from mental health and mental retardation agencies have increased 460

percent, and collectively over $214 million has been obligated by federal and state agencies for supported employment. Clearly, these results provide a good indication of the commitment in public policy toward this new service option.

Based upon these results, a number of significant implications may be drawn regarding the future of supported employment services and the agencies responsible for supporting people with disabilities. First, these results reflect the substantial federal investment to improve the employment outcomes of individuals with severe disabilities. The establishment of Title VI, Part C, as well as the documented obligations under the Basic State Grant Program, Title I, suggests that the nature of services that are funded by RSA is changing to include greater participation by persons with more severe disabilities and greater utilization of rehabilitation techniques which provide community-based job placement and training.

Likewise, the growing financial commitments for supported employment by other service agencies, particularly mental health and mental retardation/developmental disability agencies, suggest that employment is increasingly viewed as a valuable service outcome by agencies who traditionally have not concerned themselves with vocational services. While it may be premature to project the full impact upon these service agencies, it appears clear that community based employment services will continue to grow in acceptance.

Another finding that deserves elaboration is the growing ability of state agencies to specify supported employment funding amounts. To the extent that state agencies are capable of documenting such

expenditures, supported employment may be considered as a valued and established component of an agency's service philosophy. Additionally, the ability to document these expenditures enhances an agency's efficiency and accountability.

Creating systemwide change can be viewed as an internal process, in which the change agent is also the entity experiencing change, as well as an external process in which the change agent facilitates change in others. The results of this analysis of fiscal activity suggest that in the 27 states which received systems change grants, change has occurred within state rehabilitation agencies and among other agencies as well. Change occurring within state rehabilitation agencies may be assessed by examining Title I obligations for supported employment, as summarized in Table 3. The data on Title I supported employment obligations for the past three years indicate a seven-fold increase in the utilization of these funds. Additionally, utilization of general appropriations by state vocational rehabilitation agencies grew from $2.7 million in FY 1986 to over $15 million in FY 1988. Clearly, internal systems change to the federal-state rehabilitation system, as evidenced by these obligations, has occurred.

The impact of supported employment upon the Title I program may be clarified by analyzing the program in its entirety. In Fiscal Year 1986, state vocational rehabilitation agencies spent over $1.5 billion of federal and state funds in providing services to individuals with handicaps under the authority of the Title I program (Rehabilitation Services Administration, February 11, 1988). The total FY 86 obligations for supported employment by RSA represented less

than 1 percent of all funds that were spent under Title I. While the Title III supported employment projects have indeed facilitated change within the federal-state vocational rehabilitation system, it does not yet apppear that they have produced the "systemwide" change that was hoped for.

The continued growth of supported employment may be expected to affect several expenditure patterns within the Title I program. First, a reduction in diagnostic and evaluation expenditures may occur as situational assessments and on-the-job evaluations gain wider acceptance. In FY 1986, $124 million was expended by state general agencies for diagnostic and evaluation services (Rehabilitation Services Administration, February 11, 1988). Second, it is reasonable to assume that the continued acceptance of supported employment will result in greater expenditures for post employment services. These services are provided to former clients of state agencies who are at jeopardy of losing employment. In FY 1986, slightly less than $142,000, or less than .5% of all funds for client services, were used for post employment services (Rehabilitation Services Administration, February 11, 1988).

In addition to the growth in Title I obligations that was identified, tremendous expansion in the amount of identifiable fiscal obligations of state mental health and mental retardation/developmental disability agencies was evidenced. Based upon the data provided, the growth in supported employment funding by these agencies exceeded 460 percent in three years.

Admittedly, part of this growth can be attributed to the identification of supported employment as a fiscal entity. As the data from Table 5 indicate, only eight mental retardation agencies and four mental health agencies were able to provide specific funding amounts for FY 1986. An additional six mental retardation and five mental health agencies reported supported employment funding in FY 1986 but were unable to identify a specific amount. By FY 1988, 21 mental retardation agencies and 13 mental health agencies reported identifiable funding amounts. In addition, six mental retardation and nine mental health agencies reported unidentifiable funding amounts. As such, the total growth in agencies reporting supported employment funding grew from 14 mental retardation and nine mental health agencies in FY 1986 to 27 and 22, respectively, in FY 1988.

One of the more remarkable aspects of the growth in supported employment funding by mental health and mental retardation agencies is the fact that these funds represent new, expanded service opportunities for persons with disabilities. Relatively few states reported any form of mandated policy for converting existing day program slots to supported emloyment slots (see Kregel, Shafer, Wehman, & West, 1989). As such, the growth in supported employment funds by these agencies represent new service slots, allowing for more individuals to receive services.

Comparison of supported employment funding by mental health and mental retardation agencies indicates that funding by state mental health agencies has remained significantly less than that of state mental retardation agencies. In most of the states that we contacted,

individuals with mental illness have only recently begun to be served in supported employment. For these individuals, as for others with physical disabilities or sensory impairments, the availability of supported employment funding, particularly for ongoing support services, remains a critical issue. Most project directors indicated that individuals experiencing chronic mental illness, physical challenges, or sensory impairments were not served by supported employment until a network of services for persons with mental retardation had been established.

In every state contacted, funds from mental retardation/ developmental disability and mental health state agencies were projected to continue to increase in the future at a rate comparable to that observed during the three years of our analysis. Projections for FY 1989 indicate supported employment funding by mental retardation agencies to exceed $46 million and mental health agency funding in excess of $13 million. When these figures are compared with those reported from previous years, the rate of annual growth in funding averages 177% and 231% for mental health and mental retardation/ developmental disability, respectively. Assuming that these growth rates remain relatively constant, supported employment funding by mental health and mental retardation agencies could exceed $81 million and $30 million, respectively, by FY 1990.

It is clear from the data that states have utilized a variety of unique and innovative approaches for funding supported employment implementation activities. Developmental Disability Planning Councils (DDPC) appear to have played a pivotal role in the development of

supported employment services. Collectively, these agencies have contributed in excess of $9 million over the three year period. Typically, these funds were used for a variety of support or supplemental activities that facilitated a supported employment initiative while not necessarily funding direct service delivery. These activities included: public relations campaigns, employer luncheons, staff training and development, and parent training. In a few states, such as Michigan, the DDPC funded "challenge grants" which were used to establish services for individuals with more significant needs.

In addition to the use of DDPC funds, states also reported an increasing reliance upon other sources of revenue to facilitate supported employment implementation. For many of these other sources, the total amount of identifiable funds is not as dramatic as the total number of states reporting their utilization. For example, only three states reported use of JTPA funds for supported employment in FY 1986. In comparison, 14 states reported the utilization of these funds in FY 1988. Similar trends were also noted in the use of funds from Medicaid and educational agencies. However, due to the accounting practices of the agencies managing these funds and the limitations of this study, precise amounts were not consistently available.

Summary

This report has summarized the results of a preliminary analysis of supported employment funding within the 27 states that received Title III statewide systems change projects. While this analysis provides a wealth of information for the current funding activities

within these states, it is imperative to recognize the potential limitations and pitfalls of our approach. Most notably, the majority of the information we collected was provided to us without the ability for cross validation to official budgetary documents. In most state agencies, supported employment has only recently been identified as a separate fiscal entity. Consequently, these data reflect approximations in some instances rather than actual funding amounts. Extensive efforts were made to validate these data by conducting cross validation interviews with budget/fiscal offices and to eliminate any figures which were identified to be rough estimates. Nonetheless, it must be recognized that for much of the data reported in this article, clear unequivocal documentation does not yet exist.

A second potential limitation is the implicit recognition that additional funding of supported employment was occurring in many states and was not evaluated. Federally-funded discretionary grants from NIDRR, OSERS, and ADD to local service providers are no doubt impacting upon supported employment within these states. Likewise, local funding initiatives through municipal funds and private revenue sources are most likely being used to provide supported employment services. The identification and tracking of these funds were not within the parameters of this project, and likely represent only a small fraction of the total funds that were reported.

Finally, the strength of these data lies in their potential utility for policy makers. The present study represents the first attempt to analyze supported employment expenditures across a large number of states. These results suggest that the Title III statewide

systems change grants have been effective in facilitating the funding of supported employment services. To suggest, however, that the development of supported employment is the direct result of these projects would be contrary to the data presented in this article. Clearly, the development of supported employment has been the result of many partnerships and the shared responsibility of many agencies.

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Table 1

Supported Employment Funding Categories

Federal Rehabilitation Services Administration Funds

1. Title III. Reflect award amounts, as reported by RSA and verified by project directors, from RSA to state agencies for the development of the system-wide change projects.

2. Title VI, Part C. Reflect award amounts for FY 87 and federal appropriated amounts for FY 88, to state general rehabilitation and blind agencies, under Title VI, Part C of the Rehabilitation Act of 1986.

3. Title I. 76% of the obligated amounts from Title I of the Rehabilitation Act (Basic State Grant Program) that can be attributed to supported employment by state general rehabilitation agencies. This proportion reflects the average federal Rehabilitation Services Administration contribution to Title I programs operated by state general agencies in FY 1986 (Rehabilitation Services Administration, February 11, 1988).

Non-RSA Federal and State Generated Funds

4. Title I, State Match. Reflects the 24% state match which state general rehabilitation agencies contributed to the Title I program in FY 1986 (Rehabilitation Services Administration, February 11, 1988).

5. State Rehabilitation, General Revenue. Funds obligated by the state general rehabilitation agency which are identified as exclusively state general revenue funds and which do not reflect state match contributions under the Title I program.

6. Mental Retardation/Developmental Disability State Agency. Funds obligated by state agencies responsible for the delivery of services to persons with mental retardation and/or developmental disabilities. Such funds have to be specifically attributed to supported employment and may represent funding for ongoing support, initial training and placement, or both. These funds may originate from a variety of state and federal (Title XX) sources. No attempt was made by this study to identify the original source of these funds.

(table continues)

Table 1 continued

Supported Employment Funding Categories

7. Mental Health State Agency. Funds obligated by state agencies responsible for the delivery of services to persons with mental illness. These funds represent amounts that are specifically targeted for supported employment services. Once again, these funds may originate from a variety of state and federal (Title XX) sources although no attempt was made by this study to identify the original source of these funds.

8. Title XIX/Medicaid. For those states which have a Medicaid waiver in place, these funds reflect the amount of Medicaid certified funds that have been obligated for supported employment.

9. Job Training Partnership Act. Funds obligated by local Private Industry Councils (PICs) under the federally-funded Job Training Partnership Act (P.L. 97-300).

10. State Educational Agency. Reflect funds attributed to state departments of education that can be specifically identified as directly supporting the placement of students into paid supported employment situations.

11. Developmental Disability Planning Council. Funds awarded through grants and contracts by state developmental disability planning councils for supported employment services and related activities. These funds are made available to the state councils from the Administration on Developmental Disabilities under authority of P.L. 98-527. These specified amounts reflect grant/contract award amounts from the state council and do not include local match funds which were required in the majority of states surveyed.

12. Other Funds Not Identified Above. Other funds that had not been identified as originating from one of the previously identifed sources. Identified funds included inter-agency transfers from blind agencies and other federal grants awarded to the state general rehabilitation agency.

Table 2

Supported Employment Funding by the Rehabilitation Services Administration

	FY 86		FY 87		FY 88		
	Funding Amount	States Reporting	Funding Amount	States Reporting	Funding Amount	States Reporting	Total Amounts
Title III	7,226,084	10	11,615,827	27	12,314,831	27	31,156,742
Title VI, Part C	0	0	13,698,325	27	14,434,699	27	28,133,024
Title I	1,261,970	5	4,953,797	15	9,035,562	19	15,552,329
Totals	8,488,054		30,267,949		36,055,092		74,811,095

Notes:
1. Title III and VI, Part C figures provided by RSA and verified by project directors.
2. Figures for Title VI, Part C include award amounts to general and blind agencies.
3. Title I amount reflects federal contribution only and does not include state match funds. Federal contribution was computed at 76% of all Title I funds reported; 76% was the national average federal contribution to the Title I program for general rehabilitation agecies in FY 1986 (Rehabilitation Services Administration, February 11, 1988).
4. Title III funds are credited to the years in which states obligated these funds; RSA awards to states were made in each of the preceding fiscal years.

Table 3

Supported Employment Expenditures Using Title I Funds

	FY 86	FY 87	FY 88	Total
Alaska	0	0	0	0
Arizona	0	NA	1,027,400	1,027,400
Arkansas	0	20,000	20,000	60,000
California	0	900,000	3,200,000	4,100,000
Colorado	NA	NA	NA	NA
Connecticut	NA	NA	NA	NA
Delaware	24,000	120,000	120,000	264,000
Florida	0	0	NA	NA
Illinois	0	0	0	379,955
Kansas	0	200,000	150,000	350,000
Kentucky	50,000	75,000	75,000	200,000
Maryland	NA	NA	258,000	258,000
Michigan	0	471,481	698,334	1,169,815
Minnesota	486,488	418,673	332,788	1,237,889
Montana	0	0	6,138	6,138
New Hampshire	0	50,000	100,000	150,000
New York	600,000	2,300,000	3,000,000	5,900,000
North Carolina	0	0	150,000	150,000
North Dakota	0	0	0	0
Oklahoma	0	0	0	0
Oregon	0	720,000	639,000	1,359,000
Pennsylvania	0	250,000	500,000	750,000
Utah	0	46,000	0	46,000
Vermont	0	0	436,500	436,500
Virginia	0	47,000	394,000	441,000
Washington	NA	400,000	387,000	787,000
Wisconsin	500,000	500,000	750,000	1,750,000
Totals	1,660,488	6,518,154	12,244,160	20,802,697
States Reporting Specific Amounts	5	15	19	21
States Reporting Non-specific Funding	5	4	3	3
Number of States Reporting No Funding	17	8	5	3

Notes: 1. Amounts include federal and state contributions.
2. NA reflects funding activity for which specific amounts could not be identified.

Table 4

Supported Employment Funding by Non-RSA Agencies

Funding Source	Fiscal Year 1986			Fiscal Year 1987			Fiscal Year 1988		
	Total Amount Reported	States Reporting Specific Amounts	States Not Reporting Specific Amounts	Total Amount Reported	States Reporting Specific Amounts	States Not Reporting Specific Amounts	Total Amount Reported	States Reporting Specific Amounts	States Not Reporting Specific Amounts
State Title I Match	398,517	5	5	1,564,357	15	4	2,938,598	19	3
State Rehabilitation General Revenue	2,664,389	3	1	7,550,757	5	3	15,332,990	7	2
Mental Retardation/ Developmental Disabilities	9,678,070	8	6	24,450,919	15	6	45,470,580	21	6
Mental Health	1,307,956	4	5	4,693,531	8	8	9,409,448	13	9
Medicaid	0	0	4	0	0	4	198,400	2	3
Job Training Partnership Act	168,066	1	2	396,830	4	10	629,098	3	11
Education	68,235	1	4	675,000	2	2	1,018,472	2	3
DD Planning Council	2,574,791	12	1	3,467,620	20	2	3,359,569	20	2
Other	200,000	1	0	300,000	2	1	1,490,000	3	2
Totals	17,060,024	35	28	43,072,014	71	40	79,847,155	91	39

Notes: 1. State Title Match reflects state contribution only and does not include federal share. State contribution was computed at 24% of all Title I funds reported; 24% was the national average contribution by state general rehabilitation agencies to the Title I program in FY 1986 (Rehabilitation Services Administration, February 11, 1988).

2. Total Amount Reported represents dollar amounts from those states indicated in the column States Reporting Specific Amounts. States shown in the column States Not Specifying Amounts also utilized the funding source, but could not provide funding amounts.

Table 5

Supported Employment Funding by State Agencies of Mental Health and Mental Retardation

	FY 86		FY 87		FY 88	
	MR	MH	MR	MH	MR	MH
Alaska	468,073	0	842,928	0	1,239,601	0
Arizona	100,000	0	275,300	NA	275,000	NA
Arkansas	0	0	0	0	503,132	108,000
California	0	0	0	0	NA	NA
Colorado	0	0	NA	NA	NA	NA
Connecticut	2,485,278	300,000	6,925,938	1,500,000	10,005,092	3,000,000
Delaware	0	0	55,903	0	330,000	0
Florida	0	0	0	0	1,439,813	35,475
Illinois	2,043,801	NA	2,467,862	NA	2,605,984	NA
Kansas	0	0	NA	NA	NA	NA
Kentucky	NA	NA	459,452	NA	581,519	NA
Maryland	3,281,639	0	5,766,072	0	6,409,138	0
Michigan	0	0	50,000	50,000	552,500	552,500
Minnesota	NA	NA	NA	NA	NA	NA
Montana	0	0	0	0	507,132	108,000
New Hampshire	NA	308,942	NA	789,086	NA	1,016,775
New York	1,000,000	500,000	2,300,000	1,800,000	4,800,000	3,000,000
North Carolina	0	0	220,000	NA	760,000	NA
North Dakota	0	0	0	0	249,000	0
Oklahoma	0	0	0	0	77,280	88,320
Oregon	116,705	0	1,116,175	38,330	2,700,000	273,850
Pennsylvania	0	0	110,000	250,000	229,000	500,000
Utah	0	0	242,000	15,000	389,600	40,000
Vermont	182,574	199,014	294,589	251,115	287,767	186,528
Virginia	NA	NA	NA	0	3,500,000	500,000
Washington	NA	0	3,400,000	0	5,132,000	0
Wisconsin	NA	NA	NA	NA	NA	NA
Totals	9,678,070	1,307,956	24,450,919	4,693,531	45,470,580	9,409,448
States reporting specific amounts	8	4	15	8	21	13
States reporting funding that cannot be identified	6	5	6	8	6	9
Number of states reporting no funding	13	18	6	11	0	5

Notes: 1. NA reflects funding activity that cannot be identified.
2. Services in Michigan are jointly administered and funds cannot be separated by disability category; funds were evenly assigned to MH and MR agencies.

Table 6

Supported Employment Funding Comparison of RSA and Non-RSA Agencies

Fiscal Source	FY 86	FY 87	FY 88	Total
Rehabilitation Services Administration	8,488,054	30,267,949	36,055,092	74,811,095
Other Agencies	17,060,024	43,072,014	79,847,155	139,979,193
Totals	25,548,078	73,339,963	105,902,257	214,790,288

Opportunities and Challenges:
Recommendations for the Future of the
National Supported Employment Initiative

John Kregel

The purposes of the Survey of Supported Employment Implementation were to: 1) assess the progress of the 27 state systems change projects in promoting the development of supported employment programs and incorporating supported employment into the rehabilitation service system; and 2) identify national trends in policy development and program implementation. The preceding papers in this monograph contain analyses of key supported employment implementation issues. This paper attempts to summarize the results of the survey, identify several unresolved issues and emerging trends across the 27 state projects, and offer several recommendations regarding the future of the national supported employment initiative.

The Effectiveness of the State Systems Change Projects

This section summarizes the major accomplishments of the systems change projects to date. The focus will be upon program and policy development, consumer characteristics and outcomes, and agency expenditures for supported employment. Three specific areas will be addressed: the development of supported employment programs, incorporating supported employment into the rehabilitation system, and policy development and program implementation.

The Development of Supported Employment Programs

The state systems change projects, in their short period of operation, have had remarkable success in developing local supported employment programs and delivering services to large numbers of individuals with severe disabilities. Approximately 1,400 new programs have been established since Fiscal Year 1986. The projects have been effective in leveraging the funds from a variety of sources to provide supported employment services. As a result, the number of individuals

working in supported employment increased by over 250% in the first two years of the projects. Many individuals have been able to enter the workforce and earn significant wages for the first time.

The success of the projects to date reflects cooperative efforts by federal, state, and local agencies to develop state policies, establish funding mechanisms, identify adequate sources of funding for time-limited and ongoing support services, develop interagency agreements, and provide training and technical assistance.

Incorporating Supported Employment into the Rehabilitation System

Several survey results shed light on the degree to which supported employment has been incorporated into state rehabilitation systems. First, the number of individuals served by state rehabilitation agencies in supported employment has increased eight-fold in the last two years. Second, many states have developed fee-for-service mechanisms to allow local counselors to purchase supported employment services with Title I case service dollars.

Third, and perhaps most significantly, the amount of Title I case service funds and state rehabilitation funds devoted to supported employment services has rapidly increased. While still a small program within the total rehabilitation system, state agencies and local counselors are demonstrating their confidence that supported employment is a viable rehabilitation service for persons with severe disabilities.

National Trends in Policy Development and Program Implementation

The "typical" supported employment participant is an individual with mild or moderate mental retardation, working in an actual job through the individual placement model, earning almost $4.00 per hour.

Other individuals are working in enclaves or work crews that may be operated by a rehabilitation facility or not-for-profit agency. However, in a real sense there is no "average" supported employment participant. Analyses which focus only on measures of central tendency do not reflect the innovative approaches being used to provide effective services to a wide variety of individuals.

Preliminary information indicates that supported employment costs are roughly equivalent to or less than the costs of alternative day programs. However, states are generally taking a cautious, measured approach to the issue of converting existing day programs to supported employment programs. Interagency agreements are in place in many states, although the identification of ongoing support funds for persons with traumatic brain injuries, cerebral palsy, sensory impairments, and other physical disabilities has emerged as a major challenge. Recent policy development activities have begun to focus on improving the quality and effectiveness of supported employment programs.

Unresolved Issues and Emerging Trends

States have been very successful in establishing the "first wave" of supported employment programs. The rapid growth of the programs has led to the emergence of a number of new systems change issues, issues very different from those addressed by the 27 projects as recently as 24 months ago. This section identifies several unresolved issues and emerging trends now facing the systems change projects.

1. The ultimate size and extent of the supported employment initiative must be determined. It is safe to assume that the program will continue to rapidly increase in size over the next several years.

However, supported employment participants still represent only a small percentage of all individuals in existing rehabilitation and day programs for persons with severe disabilities. To date, much of the funding for supported employment has come through the influx of RSA monies and the use of program expansion monies. The program cannot continue to expand indefinitely at its present rate without a large reallocation of existing resources to supported employment programs.

2. The task of developing and implementing all necessary interagency agreements has not yet occurred in every state. A major issue is the development of formal agreements to provide stable long-term funding streams for supported employment services. Particularly challenging has been the task of identifying sources of funding for ongoing support for individuals not eligible for services through the state MR/DD agency. It is becoming increasingly clear that lack of ongoing support funds has resulted in large numbers of individuals with cerebral palsy, traumatic brain injury, and other disabilities not having access to supported employment services in many states.

3. Many states are still in the process of developing a consensus regarding program conversion. Conversion refers to the replacement of congregate, segregated facility-based programs with integrated community-based programs that meet the needs and preferences of consumers. States are struggling with the issue of whether the supported employment initiative means that local programs should convert existing services to supported employment, or that programs should view supported employment as an opportunity to expand existing services. Building a statewide consensus on this issue is a long-term

task of educating and involving consumers and their families, rehabilitation facilities and other provider agencies, local and state program administrators, and legislators. It is anticipated that the conversion issue will be one of extreme importance in the near future, now that states have extensively documented the success of supported employment programs and local agencies have gained experience with this new technology.

4. Numerous concerns are being expressed that supported employment is not serving the individuals it was intended to serve. As was mentioned previously, lack of ongoing support services has significantly hindered the participation of a large group of individuals eligible for, and thought to be able to benefit from, supported employment services. Very few individuals with severe or profound mental retardation have participated to date, perhaps due in part to the shortage of highly skilled personnel and the inadequacies of current service technology. Supported employment is too new a rehabilitation program to determine who can and who cannot benefit from this service. However, many states have initiatives underway to increase the number of individuals with truly severe disabilities participating successfully in supported employment programs.

5. A significant degree of controversy has developed in the field regarding the appropriateness of the Title VI-C regulations regarding paid work and integrated work settings. It has been suggested that the regulations are too restrictive -- that they prohibit the participation of individuals otherwise able to benefit from supported employment. Implementation activities must be carefully evaluated over the next several years to investigate the validity of these concerns.

6. An emerging trend involves local and state agencies working together to insure that supported employment services are of the highest quality. Several key issues have evolved:

* An emerging trend in local supported employment services is consumer empowerment. To what extent are consumers exercising maximum freedom of choice in determining whether or not they participate in supported employment, the type of job they hold, the type of supports they require, the decision to terminate employment, and other major career decisions?

* The intent of supported employment is paid employment in integrated work settings. We can feel confident that individuals placed into supported employment are earning higher wages and are physically integrated into the workplace. However, are these individuals socially integrated into work settings, or are many individuals socially isolated in the community?

* Participation in supported employment often involves significant commitment and risk on the part of consumers and their families. What procedures and alternatives are available for individuals initially unsuccessful in supported employment?

Recommendations

The results of the Survey of Supported Employment Implementation provide an initial indication of the status of supported employment in the 27 state change projects. While not providing definitive answers to many issues, the detailed responses of the projects have clearly identified accomplishments to date and emerging obstacles to future program success. With this in mind, several recommendations are offered to stimulate further growth of the federal/state supported employment initiative.

1. The discretionary systems change grant program has been quite successful and should be continued beyond the present five year project cycles. The success of the 27 systems change projects has been described in detail. It has been stated many times that although the

projects have achieved a great deal, much remains to be completed. The challenges facing the projects today are those that require long-term, comprehensive solutions. Forging a policy consensus regarding the conversion of existing programs, for example, requires years of disseminating the results of demonstration programs, conducting large staff development and public education programs, and providing opportunities for all interested individuals and agencies to have real input into the systems change process.

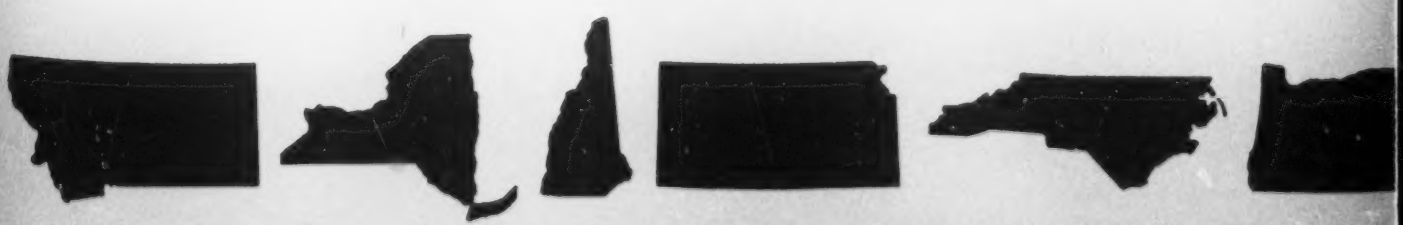
In many instances, the systems change project has served as a focal point of interagency planning and cooperation in the development and operation of a supported employment network. Many projects have been responsible for the major functions of program funding, inservice training and technical assistance to local programs, and quality assurance and program monitoring. Projects must be provided adequate time to allow all current functions to be absorbed by existing state agencies. To fail to do so would threaten the long-term stability of the achievements made to date. In addition, the success of the projects argues strongly that a similar approach could be equally effective in many other states that have not benefited from the discretionary program.

2. Continue to foster the spirit of innovation and experimentation that exists in the projects today. The field is just now becoming aware of the strengths and limitations of present supported employment technology. It would be a significant mistake to assume that our present system of supported employment represents the best service delivery models or uses the most effective marketing, job-site training, or rehabilitation engineering technologies. A danger

exists that present methods may become "institutionalized" too quickly, thereby delaying or prohibiting improvements in supported employment services. States should be encouraged to explore creative service delivery strategies. Demonstration efforts should continue to identify effective ways of serving individuals not currently benefiting from supported employment.

3. Begin immediately to develop preservice and inservice training capacities that will produce an adequate supply of qualified supported employment personnel. Many of the implementation problems experienced by local programs are felt by the systems change projects to be traceable to a lack of qualified trained personnel. Current personnel training efforts are unable to cope with the demand for direct service and managerial personnel. Attention should be given to all the emerging supported employment personnel roles, including job coaches, enclave and work crew supervisors, job development specialists, and program managers. Inservice training programs, community colleges, and universities must work together to provide a comprehensive array of training alternatives.

4. Continue and expand program evaluation activities in order to acquire adequate information to enable state and federal agencies to make sound policy decisions. The supported employment initiative has suffered from a lack of program evaluation information which can be aggregated across communities or states for use in policy development. Only recently have management information systems been developed and implemented in many states. Supported employment expenditures are beginning to be tracked in agency accounting systems. Mechanisms for monitoring and evaluating local programs are in the initial stages of

implementation. These activities must continue, and steps should be taken to insure that information and knowledge from various states can be aggregated in a way that will benefit other state and federal agencies.

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